

The Prime Minister's Draft Resolution
No. (2310) of 2017
Concerning issuing the Executive Regulations of Investment Law
Issued by virtue of Law No. 72 of 2017

The Prime Minister, having perused,

The Constitution;

The Penal Code, issued by virtue of the Law No. 58 of 1937;

The Civil Code, issued by virtue of the Law No. 131 of 1948;

The Criminal Code, issued by virtue of the Law No. 150 of 1950;

The Code of Civil and Commercial Procedure, issued by virtue of the Law No. 13 of 1968;

The Law No. 95 of 1945 concerning the Supply Issues;

Law No. 68 of 1947 concerning Documentation;

Law No. 84 of 1949 concerning Registration of Commercial Vessels;

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

Law No. 308 of 1955 concerning the Administrative Detention;

Law No. 21 of 1958 concerning Organization of Industry and Encouraging it in the Egyptian Region;

Law No. 113 of 1958 concerning the Appointment in Joint-Stock Companies and Public Corporations Employments;

Law No. 173 of 1958 concerning Conditions of obtaining Permission before working in the Foreign Entities;

Law No. 89 of 1960 concerning the Foreigners Residence and Ingress to and Egress from the Arab Republic of Egypt Territories;

Public Authorities Law issued by virtue of the Law No. 61 of 1963;

Customs Law issued by virtue of the Law No. 66 of 1963;

Law No. 12 of 1964 concerning Incorporating the Egyptian Establishment for Marine Transport;

Law No. 70 of 1964 concerning Attestation and Declaration Fees;

The Law No. 100 of 1964 regulating the lease of the State-owned properties and disposal thereof;

Agriculture Law issued by virtue of the Law No. 53 of 1966;

Law No. 84 of 1968 concerning Public Roads;

Law No. 1 of 1973 concerning Hotel and Touristic Facilities;

Law No. 2 of 1973 concerning the Ministry of Tourism Supervision over Tourist Areas and Utilizing them;

Law No. 73 of 1973 concerning Conditions and Procedures of Election of Workers Representatives in the Boards of Directors of Public Section Units, Joint-Stock Companies and Private Associations and Establishments;

Social Insurance Law issued by virtue of Law No. 79 of 1975;

Law No. 118 of 1975 concerning Import and Export;

Law No. 34 of 1976 concerning Commercial Register;

Public Sector Authorities and Companies Law issued by virtue of the Law No. 97 of 1983;

Archeology Protection Law issued by virtue of the Law No. 117 of 1983;

Customs Releases Law issued by virtue of the Law No. 186 of 1986;

Marine Trade Law issued by virtue of Law No. 8 of 1990;

Law No. 7 of 1991 concerning some Provisions related to the State's Properties;

Public Sector Companies Law issued by virtue of Law No. 203 of 1991;

Capital Market Law issued by virtue of Law No. 95 of 1992;

Environment Law issued by virtue of the Law No. 4 of 1994;

Arbitration Law in the Civil and Commercial Matters issued by virtue of Law No. 27 of 1994;

Law No. 95 of 1995 concerning Financial Lease;

Law No. 5 of 1996 concerning the Rules of disposing the Desert Lands at no cost owned by the State or the Public Legal Personalities or leasing them under Formal Lease Contract for setting up Investment Projects thereon or Expanding them;

Law No. 230 of 1996 concerning the Foreigner Possession of In Kind Properties and Empty Spaces;

Law No. 231 of 1996 concerning some Provisions related to the Egyptians Employment with the Foreign Entities;

Law No. 3 of 1997 concerning granting the Public Utilities Obligation for constructing, managing and utilizing the Airports and Landing Fields;

Tender and Bid Law issued by virtue of Law No. 89 of 1998;

Commercial Law issued by virtue of Law No. 17 of 1999;

Law No. 7 of 2000 concerning Formation of Reconciliation Committees in some Disputes where the Ministries and Public Legal Personalities are a party thereto;

Central Lodgment and Registration of Securities Law issued by virtue of Law No. 93 of 2000;

Real Estate Financing Law issued by virtue of Law No. 148 of 2001;

Intellectual Property Rights Protection Law issued by virtue of the Law No.82 of 2002;

Special Economic Zones Law issued by virtue of Law No. 83 of 2002;

Communication Organization Law issued by virtue of Law No. 10 of 2003;

Labor Law issued by virtue of Law No. 12 of 2003;

Central Bank and Banking and Monetary Agency Law issued by virtue of Law No. 88 of 2003;

Civil Aviation Service Charges Law issued by virtue of Law No. 93 of 2003;

The Law No. 15 of 2004 concerning the Electronic Signature and Establishment of the Information Technology Industry Development Agency;

Small Facilities Development Law issued by virtue of Law No. 141 of 2004;

Competition Protection and Antitrust Law issued by virtue of the Law No. 3 of 2005;

Income Tax Law issued by virtue of Law No. 91 of 2005;

Building Law issued by virtue of Law No. 119 of 2008;

Economic Courts Incorporation Law issued by virtue of Law No. 120 of 2008;

Building Tax Law issued by virtue of Law No. 196 of 2008;

Law No. 10 of 2009 concerning the Control over Markets and Nonbank Financial Instruments;

The Law regulating the Private Sector's partnership in the Infrastructure, Services, and Public Utilities Projects, issued by virtue of the Law No. 67 of 2010;

Law No. 133 of 2010 concerning Licensing the Oil Refining Projects through the Free Zones Regulations;

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

Instruments Law issued by virtue of the Law No. 10 of 2013;

Law No. 32 of 2014 concerning organizing some Procedures of Appeal against the State Contracts;

Law No. 63 of 2014 concerning the Maximum Limit of Employees Contracting with the State Authorities with a Wage;

Law No. 141 of 2014 concerning the Infinitesimal Financing Activity;

Law No. 203 of 2014 concerning Promotion of the Electricity Production from the Renewable Energy Sources;

Electricity Law issued by virtue of the Law No. 87 of 2015;

Organization of Movable Guarantees Law issued by virtue of the Law No. 115 of 2015;

Value Added Tax Law issued by virtue of the Law No. 67 of 2016;

Law of Facilitating the Procedures of Granting the Industrial Facilities Licenses issued by virtue of Law No. 15 of 2017;

Sports Law issued by virtue of the Law No. 71 of 2017;

Investment Law issued by virtue of Law No. 72 of 2017;

The Prime Minister's Resolution No. 1820 of 2015 concerning the Issuance of the Executive Regulations of the Investment Guarantees and Incentives Law, issued by virtue of the Law No. 8 of 1997;

The proposal of the Minister of Investment Affairs;

Having obtained the Council of Ministers' Approval; and

Based on the State Council's Proposal.

Has Decided:

Article I

Without prejudice to the provisions of the Law No. 7 of 1991 concerning the State-owned Properties, the Law concerning the Economic Zones with a Special Nature issued by the Law No. 83 of 2002, the Law No. 14 of 2012 concerning the Integrated Development in Sinai Peninsula, and the Law Facilitating the Procedures of Granting the Industrial Facilities' Licenses issued by virtue of Law No. 15 of 2017, the provisions of the enclosed Executive Regulations of the Investment Law issued by Law No. 72 of 2017 shall be effective and in force.

Article II

Without prejudice to the Law concerning the Economic Zones with a Special Nature issued by the Law No. 83 of 2002, the provisions of the enclosed Regulations shall apply to the investment projects established under the Inland Investment Regime in such zones.

Article III

The Executive Regulations of the Law concerning Investment Guarantees and Incentives issued by virtue of the Resolution of the Prime Minister No. 83 of 2015 referred to above shall be repealed. Also, any provision to the contrary of the provisions of the enclosed Regulations shall be repealed.

Article IV

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

Prime Minister

Engineer Sharif Ismail

Issued at the Prime Ministry on 8th Safar 1439H

Corresponding to: 28th October 2017

Copy sent to: Mrs./ The Minister of Investment and International Cooperation

Secretary of the Prime Ministry

General Atef Abdul Fattah Abdul Rahman

Section (I): General Provisions

Chapter (1): Activities and Fields subject to the Provisions of Investment Law

Article (1)

The investment projects detailed below shall be part of the activities governed by the provisions of the Investment Law, without prejudice to the controls set forth in the laws and regulations governing such activities; namely:

- I. The Industry Sector**, which includes:
- 1) The industrial activities that transform the raw materials and change their shapes by mixing, treating, forming or filling them, and assembling the parts and components and installing them for producing middle or final products. This shall not include the manufacturing of smoke, tobacco, snuff, alcoholic beverages and all kinds of wines.
 - 2) The design or manufacturing of the industrial machines and equipment, production lines and performance management or restructure the factories. This includes:
 - a. To carry out the engineering designs to the equipment, production lines and factories.
 - b. To prepare the templates and models of machines and products and manufacture and promote them.
 - c. To produce the equipment and production lines.
 - d. To conduct the performance management of the industrial projects and utilities projects of different activities and technically and administratively restructure of the factories.
 - 3) Cinema industry activity such as establishing, leasing or operating studios, film production plants or cinemas, including filming, development, printing, production, offering and distribution.
 - 4) The integrated industry development of the industrial estates or completion of development, or marketing or managing the industrial estates established under a decision by the Prime Minister, including the following:
 - a. To prepare the economic and planning studies of the industrial estates.
 - b. To prepare the economic, engineering and technological studies of the projects.
 - c. To construct the infrastructure and the external sources of infrastructure of the industrial estates.
 - d. To market and promote the plots of industrial estates for attaching the capitals and industrial projects to the industrial estates.

- e. To construct factories buildings in the industrial estates for presenting them as premade buildings to the projects.
- f. To manage the industrial estates and maintain their utilities and facilities.

It my practice these activities collectively or individually.

II. Agriculture, livestock, poultry and fish production sector, which includes the following:

- 1) Reform and cultivate the fallow lands and deserts including:
 - (a) To reform and equip the lands with the basic facilities that make them cultivatable.
 - (b) To cultivate the reformed lands.

On condition that the lands shall be allocated for the purposes of reform and cultivation, and using the modern methods of irrigation not the flooding method.

2) The Animal, Poultry and Fish Production

- (a) To raise all kinds of animals, whether for producing the progeny, milk, fattening or meat.
- (b) To raise all kinds of poultry and birds, whether for producing the progeny, incubation, eggs, fattening or meat.
- (c) Horse breeding.
- (d) Fish farms.

3) Genetic engineering in fields of plants and animals.

III. Trade Sector, which includes:

The projects that invest in the fields of development of the internal trade to stimulate and promote the investments in the commercial activities represented in the following: (business centers, wholesale, retail, chains of supply, provided that it should be an Egyptian Joint-Stock Company, with the exception of the companies and establishments working in the underdeveloped regions and the new urban communities.

IV. The Education Sector, regardless of the type or level, which includes:

- 1) To establish, manage or operate schools.
- 2) To establish, manage or operate schools and institutes of the technical education.
- 3) To establish d universities.

V. The Health Sector, which includes:

To construct the hospitals and medical and treatment centers, including:

- a- The specialty, integrated or public hospitals, and the internal treatment or medical activities included therein.
- b- The diagnostic or treatment medical centers.

On condition that they should present (10%) annually for free of the number of occupied beds for the hospitals and the cases subject to the medical or treatment service for the center.

VI- The Transportation Sector, which includes:

- 1) Public transport from and to urban cities and communities according to the following controls:
 - The transport capacity should be at least (300) seats for the project.
 - The vehicles used in the project should be new and not previously licensed or used.
 - The vehicles should be operated by the natural gas. No diesel operated vehicles may be imported for this purpose.
 - To provide garages and maintenance workshops for the companies inside the new cities.
 - The location for the activity should be inside the new urban community.
 - The companies shall set out the traffic lines and times of the company's vehicles as approved by the competent Traffic Dept.
 - To post guiding signboards in the car forefront stating the traffic line.
 - To observe the conditions and controls of Ministry of Transport in terms of loads, lengths and other conditions and controls.
 - To observe the conditions of environment protection and pollution prevention.
- 2) River, marine and coastal transport of the vessels working under the Egyptian Flag and high seas:
 - a- The river transport, including transport of passengers, goods and materials of all kinds or containers by using the different river means of transport.
 - b- The marine and coastal transport, including transport of raw materials, goods and passengers by the vessels working under the Egyptian Flag.

- c- The marine transport of high seas, including transport of raw materials, goods and passengers oversea by using the vessels and different marine means of transport such as the carriers, steamships and boats.
- 3) Air transport and the related services by direct line:
 - a. Air transport of passengers and goods, whether by scheduled or charter flights in accordance with the controls as applicable with the competent authorities.
 - b. To establish, equip, operate, manage, maintain and utilize the airports and landing fields or any parts thereof, and operate, manage, maintain and utilize the existing airports and landing fields, and the other services directly related to the air transport such as maintenance, catering and training in accordance with the controls as applicable with the competent authorities.
 - 4) Land transport of goods including transit and railway transportation.
 - 5) Chilled transport of goods and refrigerators of keeping the crops, industrial products and foodstuffs and container stations and silos, including to possess and hire the chilled transport of goods and refrigerators of keeping the crops, industrial products and foodstuffs and chilling or freezing them, and the container stations and cereal storage silos. The said activities include the shipping and unloading services as necessary for practicing any activity.

VII- The Tourism Sector, which includes:

1. Hotels, safari yachts, motels, apartment hotels or the like, touristic villages and camps and touristic transport, which include:
 - (a) The fixed and afloat hotels, yachts, motels, hotel apartments and suites, touristic villages, and the related activities including the service, entertainment, sporting, commercial and cultural activities, and completion and extensions of their facilities, provided that the level of hotels, motels, hotel apartments and suites and touristic villages should be at least three-star, and the total area of sold units thereof should not exceed 50% of the total built areas of the project capacity.
 - (b) The tourist camps, provided that their level should be at least three-star.

The touristic projects in the New Valley Governorate and the districts located outside of the Old Valley as set out under the decision of Prime Minister shall be excluded from the three-star condition mentioned in the above Clauses (a & b).
 - (c) All land, Nile, marine or air means of transport specified for transporting the tourists.
 - (d) Integrated tourism development projects, provided that they are in a form of an Egyptian joint-stock company.
- 1) Touristic marketing and management of hotels, motels, hotel apartments and touristic villages.

- 2) Set up, operation and management of the Nile bowers with the integrated services as necessary for operating and insuring them.

On condition that it should protect the river environment from the pollution and fires in the sites set out and approved by the competent authorities in accordance with the conditions issued by such Authorities, and the capacity of each one of them should not be less than 24 floating hotels.

- 3) Set up and operation of the marine yachts, golf play grounds, diving centers and the related activities.
- 4) The therapeutic tourism of the patients by organizing the reservation procedures with the hospitals and medical centers and others as set out under the decision issued by the Health Minister in coordination with the Tourism Competent Minister.
- 5) Environmental tourism by establishing the environmental inns, the bird and coral reef sighting sites, and other exceptional environmental systems.
- 6) The service companies of the archeological sites and museums in accordance with the controls and rules set out under the decision issued by the Competent Authority.

VIII- The Housing, Construction, And Building Sector, including:

- 1) The housing which their units are fully leased for the purpose of non-administrative housing, on condition that the number of units should not be less than fifty residential units, whether constructed as one building or many buildings.
- 2) The social housing projects and the housing projects for those of low-income.
- 3) The investment in real estate in the new cities and urban communities, underdeveloped districts and the districts located outside of the Old Valley.
- 4) The infrastructure, including the water, sewage, electricity, roads, telecommunication and multi-level garages, car park meters, metro lines, surface metro lines, car tunnels, irrigation pump stations, that include:
 - a. Construction, operation, management and maintenance of the sewage plants or industrial sewage and purification and their connections.
 - b. Construction, management, maintenance and utilization of the highroads and expressways.
 - c. Design, construction, operation, management and maintenance of the petro lines or any parts thereof.
 - d. Design, construction, operation, management and maintenance of the surface metro lines inside or between cities.
 - e. Design, construction, operation and management of the car tunnels.

- f. Construction, operation and management of the multi-storey garages with build, operate & transfer (BOT) system, whether underground or aboveground and the meters of car park with BOT system.
 - g. Preparation of the technical and economic researches and studies and feasibility study of the Investment Projects in field of infrastructure.
 - h. Design, construction, operation, management, maintenance or utilization of the railways and metros inside and outside.
 - i. Operation, maintenance and utilization of the movable transport units inside and outside.
 - j. Construction, operation, management and maintenance of the irrigation pump stations and their distribution network and lines of transport to the lands allocated for reform and cultivation.
- 5) Planning, construction and development of the urban areas (industrial estates, urban communities, underdeveloped districts and the districts located outside of the Old Valley).

IX. The Sports Sector, which includes all sporting services, including the management, marketing or operation of the athletics, or establishing the special clubs or health academies or clubs or fitness centers, provided that the companies performing all kinds of sporting services should take the form of joint-stock companies.

X- Electricity and Energy Sector, including the design, construction, production, management, operation or maintenance of the power stations of different sources and their distribution networks and selling them.

XI- Petrol & Natural Resources Sector, which includes:

The processes of exploration, excavation and utilization of mines, quarry and oil wells and mining and transport and connection of gas. This includes:

- 1) The petroleum services which support the excavation and exploration processes, including:
 - a. The petroleum drilling and exploration processes.
 - b. Maintenance and activation of the oil wells.
 - c. Maintenance of drilling equipment and petroleum pumps.
 - d. Sinking water wells and surface wells as necessary for the petroleum.
 - e. The civil works complementary to the drilling works and maintenance.
 - f. Treatment of surfaces from precipitation.
 - g. The services related to dropping the packing tubes and production pipes.

- 2) Construction or management of natural gas reception stations, regasification or preparation thereof for distribution or installing the gas networks from the production sites to the use sites from development cities and villages and districts by special tankers or pipes. This shall not include transport of petroleum.
- 3) Activities involving natural or industrial salt caches or rock salt.

XII- Water sector, including the construction, operation, management and maintenance of water desalination plants and refining the same, and their distribution networks and lines of transport and treating and recycling them in accordance with the technical and scientific standards stated in this regard.

XIII- Communication and Technology sector, including the IT and communication projects and computer systems and their development and the projects invested in development of the intellectual property rights, including the patents and industrial templates and drawings, according to the following;

- 1) IT and communication industry, including the industrial activities, design and development of electronics, data centers, outsourcing activities, software development and technological education,
- 2) Design and production of programs:
 - a- The description, analysis and design of programs, databases and applications of different kinds.
 - b- Design and production of programs and applications and creating the databases and IT systems and their operation and training.
 - c- Production of electronic content in different form, including the sound, photo and data.
 - d- Inputting data into computer by electronic means.
- 3) Design and production of computer equipment:
 - a- The description, design and development of different kinds of computer systems.
 - b- Production and development of built-up systems and their operation and training.
- 4) Design and construction of the information and communication infrastructure projects:
 - a- The description and design of data transfer and circulation networks.
 - b- Implementation and management of the data transfer and exchange networks.
- 5) Telecommunication and internet services.

- 6) The projects invested in development of the intellectual property rights, including the patents and industrial templates and drawings.
- 7) Establishing the audio, image, and data transfer networks and providing the added value services after obtaining the license from the competent authorities in accordance with the applicable laws, including the mobile phone networks.
- 8) Construction, management, operation and maintenance of the telecommunication stations and networks and satellites after obtaining the license from the competent authorities in accordance with the applicable laws, including the broadcasting.
- 9) The projects of scientific research and development and the projects supporting the space sciences and remote sensing and modern technology projects.
- 10) Construction and management of the training centers for qualification of researchers and IT transfer centers.
- 11) Construction and management of consulting and studies centers specialized in field of information and communication and developing them.
- 12) The technological business incubator and entrepreneurship support.
- 13) The activities related to the digitalization of the traditional audio, image, and data content, including the digitalization of the scientific, cultural, and technical content.

Chapter (2): Social Responsibility of the Investor

Article (2)

Social Responsibility of the Investor

The Investor shall have the right to dedicate a percentage of his profits to participate in the social development outside of the Investment Project through participation in all or any of the following aspects:

- 1) Take the necessary action to protect and enhance the environment, whether in terms of obligation with the compatibility of the product or service provided by the company with the environment, or by improving the environmental circumstances in the society and remedying the different environmental problems, including but not limited to:
 - To find a mechanism for recycling wastes.
 - To use treatment plants for reusing water.
 - To use the new and renewable energy.
 - To dispose wastes safely.
 - To minimize the global warming gas emissions and any projects to adapt with the impacts of the climate changes.

- 2) Provide services or programs in the areas of healthcare, social care, or cultural care, or other development areas, whether through any of the following:
 - a) Providing employment opportunities for those of special needs.
 - b) Sponsoring of the youth and sporting activities.
 - c) To take care of talented persons and inventors (in scientific, technical or sporting field).
 - d) To participate in the programs of the poor family care, and enhancement of the living standard of the population.
 - e) Funding of the awareness campaigns targeting promotion of the safe immigration or limiting of illegal immigration, the qualification and training programs in the area of providing positive alternatives for the illegal immigration, such as the programs of entrepreneurship or training for employment at the different industrial and service sectors in Egypt and abroad, especially in the target governorates where such phenomenon spreads, in cooperation with the Ministry of Youth and Sports, the Ministry of Labour Force, and the Ministry of State for Emigration and Egyptian Expatriates Affairs.
- 3) Support the technical education or the funding of research, studies, and the awareness campaigns aiming at developing and improving the production, in agreement with any of the universities or scientific research institutions, inside or outside.
- 4) Training and scientific research to ensure updating of the technology used in the production and preparing of the studies aiming to improve the environment and avoid the harmful effect (such as harmful emissions).

The funds spent by the investor on any of the fields set forth in the previous paragraph which do not exceed 10% of his net annual profits shall be deemed deductible costs and expenses pursuant to clause (8) of article (23) of the income tax law referred to.

Article (3)

The investor who allocates a portion of his profits to establish the community development system shall provide the Authority with an annual report along with the supporting documents as determined by Authority.

Section (II)

The Incentives and Facilitations related to the Investor

Chapter (1): Regulating the Residence of the Foreign Investors and Hiring Foreign Workers

Article (4)

Subject to the provisions of the laws governing residence in the Arab Republic of Egypt, to grant non-Egyptian investors residency is subject to the following conditions:

- The investor should be a founder, shareholder or partner in a company or an establishment owner.
- The period of residency may not be less than year and not longer than the period of project.

The Authority's Board of Directors may add other conditions, subject to the consent of the Ministry of Interior.

The residence shall be cancelled when the investor exits (dissociates) from the company; or the company's registration is written off based on the company's liquidation or writing off the establishment's registration from the Commercial Register.

Article (5)

The application for residency shall be submitted on the form prepared by the Authority for this purpose. The residency shall be granted in accordance with the rules and controls that will be issued by the Board of Directors of the Authority after the approval of the Ministry of Interior in light of the categories and relative weights of the purpose of the company, the capital, and number of workers and the location of practicing the activity.

The period of residence shall be one year at the beginning of incorporation, and shall be renewed for another period in case there is seriousness in starting the execution of the project. Then, it shall be renewed for periods of five years each and in all case the residence may not be longer than the period of the project.

Hiring Foreign Workers

Article (6)

An investment project shall have the right to recruit foreign workers within the limits of 10% of the total number of workers in the Project. This rate may be increased to 20% maximum of the total number of workers in the Projects, in the event it is not possible to hire national manpower that enjoys the required qualifications.

A committee shall be formed under a decision issued by the Authority's Chief Executive Officer, comprised of technical and legal members and representatives of the competent authorities. The Committee shall settle the requests for increasing the rate stated for hiring the foreign workers, and its decisions shall be approved by the Authority's Chief Executive Officer. The Committee shall observe the following rules when researching the submitted requests:

- 1) Study the scientific qualifications and experiences of the foreign worker, and whether they are in line with licensed professions.

- 2) Seek the opinion of the competent authority supervising the economic activity practiced by the company or establishment, as well as the opinion of the competent security authority as required for national security.
- 3) Observe the principle of reciprocity in the State of the foreign workers, if any.
- 4) The economic need and interest for the foreign experience.
- 5) The company or establishment needs of the specialists or consultants and the work circumstances therein, and the effect of approval or rejection to the production or investment.
- 6) The extent of providing employment opportunities to the Egyptian workers by the company or establishment.
- 7) The extent of the company or establishment seriousness to fulfill its previous undertakings and the extent of its observance of the provisions of law.
- 8) In case there are more than one foreign worker in the same specialty, the preference shall be given to the foreigner born and permanently resided in Egypt.
- 9) The obligation by the company or establishment permitted to use the foreign experts or technicians with assigning the Egyptian workers whose qualifications are in line with the qualifications of the foreign experts and technicians to work as assistants, provided that the foreigner shall be obligated to train them and prepare annual reports concerning their performance.

The foreign workers in the Investment Project shall have the right to remit their financial dues, in whole or in part, abroad in accordance with the rules as applicable with the Central Bank of Egypt.

Chapter (2): Guarantees

Article (7)

The Authority's decisions concerning the investors affairs should be based on acceptable reasons, and the concerned parties shall be notified of such decisions by registered letter with acknowledgment of receipt or through the other means as agreed with the Investor when applying for services like the email or fax according to the form prepared for this purpose.

Article (8)

The competent administrative authorities may not revoke or suspend the licenses issued for the Investment Project or withdraw the properties allocated for the Project before issuing a warning to the Investor, by registered letter with acknowledgment of receipt, about the violations he is accused of, listening to his input, and giving him/her a grace period not exceeding 60 days of the date of notice to rectify the causes of the violation. The notice in such case shall be under a registered letter with acknowledgment of receipt. If such period is elapsed and the Investor did not rectify the causes of violation, then the Administrative Authority should seek the opinion of the Authority under a

request that meets all the prescribed legal procedures against the Investor. The Authority shall express its opinion within 7 days from the date of receiving the same.

The Investor may file a complaint against revoke or suspend the licenses or withdraw the properties allocated for the Project before the Committee of Grievances provided for in Article (83) of the Investment Law.

Article (9)

In the application of Article 6 of the Investment Law referred to above, monetary transfers connected with foreign investment include the following:

- a. Free foreign currency cash, transferred through a bank registered with the Central Bank; and which is used in setting up, establishment or expansion of any enterprise that is engaged in the activities set forth in the Investment Law or these Regulations.
- b. Free foreign currency cash, transferred through a bank registered with the Central Bank; and which is used in subscriptions to Egyptian securities or to buy such securities from the securities market in Egypt, in accordance with the rules laid down by the Board of Directors of the Authority.
- c. Egyptian currency cash paid under the approval of the concerned authorities to settle financial liabilities due in free foreign currency, in the event it has been used in the establishment or expansion of an enterprise.
- d. Machinery, equipment, raw material, commodity supplies and means of transport imported from abroad for setting up, establishment or expansion of any enterprise.
- e. Intellectual property and moral rights owned by residents in foreign countries and used in setting up, establishment or expansion of any enterprise, such as patents, trademarks, trade names registered in a country member of the World Intellectual Property Organization or registered in accordance with the international registration rules contained in the applicable international agreements in this regard.
- f. Profits that are transferrable to abroad and realized by the project if used to compliment or increase its capital or if invested in another project.

Evaluation of the invested capital referred to in items d. & e. shall be made pursuant to the rules and procedures in accordance with the Egyptian Accounting Standards.

Chapter 3: Special and Additional Incentives

Article (10)

In the application of Article 11 of the Investment Law referred to above, the geographic scope of the A & B sectors shall be determined in accordance with the investment map, as follows:

First: Sector (a): this includes the Economic Zone of the Suez Canal the Economic Zone of the Golden Triangle and the areas in most need for development, which shall be determined by a decision to be issued by the Council of Ministers and are characterized by the following:

- 1) Poor levels of economic development, low gross domestic product, and the surge of informal sector.
- 2) Poor operation level, low employment opportunities, and the rising of unemployment rates.
- 3) The following social indicators:
 - Remarkable population surge.
 - Poor education quality and rising of illiteracy.
 - Poor health services.
 - High poverty rates.

Second: Sector (b):

It covers all other regions of the Republic, which have the development potentials and contribute to attracting the investments to capitalize on the available development opportunities in order to develop such areas and the adjacent areas, such as the following investment projects:

- Labor intensive projects as per the rules set forth herein.
- Small and Medium Enterprises.
- The projects which rely on or produce the new and renewable energy.
- The national and strategic projects specified by a decision issued by the Supreme Council.
- The tourism projects specified by a decision issued by the Supreme Council.
- The electricity production and distribution projects specified by a decision issued by the Prime Minister based on the proposal of the Minister of Electricity, the concerned minister, and the Minister of Finance.
- The projects which export no less than 10% of their production outside the geographic scope of Egypt.
- Automobile industry and the auto feeding industries.
- Wooden, furniture, printing, packaging, and chemical industries.

- Antibiotics, oncology drugs, and cosmetics.
- Food industries, agricultural products, and recycling of agricultural waste.
- Engineering, metal, and leather industries.
- Industries associated with information and communication technology.

Article (11)

A project can be classified as labor intensive project if it satisfies the two following conditions:

1. The number of labor in the project is not less than five hundred Egyptian workers as recorded on the social insurance statement form of the employer.
2. The direct cost of wages in the project is higher than the rate of 30% of its total operating costs.

The "investment cost of the project" means the costs required to establish the investment project. They include the equity rights plus the long-term liabilities which are invested in the establishment or construction of the fixed assets (tangible) and non-material assets (intangible) in the project provided they are paid in cash, and the working capital.

Additional Incentives

Article (12)

To grant any of the additional incentives stated in the Article (13) of the Investment Law, a company or an establishment subject to the provisions of the Investment Law must have started production or practiced the activity, as the case may be, in addition to satisfying any of the following conditions:

- 1) The Arab Republic of Egypt should be a main country for producing its products. Further, the main country of the company's products should be Arab Republic of Egypt.
- 2) The companies shall rely, for financing its projects, on its resources of the foreign fund transferred from abroad according to the controls set forth by the Central Bank's Board of Directors through a bank in Egypt.
- 3) To export at least 20% of its products to abroad.
- 4) The activity of the companies operating in the field of developed modern technology shall include the development and transfer of the developed technology to Egypt and exert efforts to support their feeding industries.
- 5) The Project shall rely on and instill the local content in its products, provided that the percentage thereof shall be at least 50% of the raw materials and

production requirements, as per the rules applicable in the General Authority for Industrial Development.

- 6) The company's activity should be based on a research output resulting from research projects conducted in Egypt.

Article (13)

The companies and establishments subject to the provisions of the Investment Law shall notify the Authority of the date of starting the production or practicing the activity within 90 days of the date thereof. Such notification shall enclose a statement of the value of investment costs approved by an accounting auditor registered in the Register of Accountants and Auditors.

Companies practicing the activity of the integrated touristic development shall comply with this notification for each project established thereby.

The Authority shall set out the date of starting the production or practicing the activity through a committee or more to be formed under a decision issued by the Authority's Chief Executive Officer, or whoever he authorizes, and the entities concerned with the Project's activity shall participate in these committees. The Committee may carry out the necessary inspections for determining the date of starting the production or activity, perform the required examination of the documents, and it must draft a report of its operations' results based on the inspection performed and the documents, statements, and records reviewed by the Authority, within fifteen working days from the date of submitting a complete application. This report should include the bases upon which the Committee relied in determination of the date of starting the production or practicing the activity. The Committee's report shall be approved by the Authority's Chief Executive Officer, or whoever he authorizes. This report shall be final, and the company or establishment and the competent authorities shall be notified of the result of the report once it is approved.

The companies or establishments may file a complaint against this report before the Committee stipulated in the Article (83) of the Investment Law.

Section (III): Investor Service Center

Chapter (1): Organization of the Investor Service Center and Investment Guides and Procedures

Article (14)

The Chief Executive Officer shall, in coordination with the government entities and public utility companies, define the number of primary and backup employees required to represent such authorities in the Centre, provided that the job level of any of them is not less than the senior grades, unless otherwise is necessarily required. They shall be appointed in the Center by a decision issue by the Authority's Chief Executive Officer for one renewable year subject to the Authority's consent. The Authority may terminate them if it is necessary at its discretion upon notifying the Entity and in coordination with the authorities they represent.

Article (15)

The representatives of the government departments and Public Utility Companies joining the Investor Service Center shall be subject to meeting the following conditions:

- 1) The representative has not been subject to any disciplinary or criminal actions unless such penalty is written off.
- 2) The representative has not been sentenced for a penal punishment or freedom restricting punishment in a moral turpitude crime unless he has been legally rehabilitated.
- 3) The representative must have the necessary experience to perform the role assigned thereto.
- 4) The representative should have obtained an excellent rating in the competence reports for the last two years.

Investment Guides and Procedures

Article (16)

Subject to the approval of the Ministry of Defense pursuant to the conditions and rules required by the defense affairs of the state, the concerned authorities shall, within 60 days from the date the Regulations enters into force, provide the Authority with the conditions, procedures, prescribed deadlines and all information, documents and forms as necessary for allocation of the real-estate property and issuance of the approvals, permits, and licenses related to the Investment Activities subject to the provisions of the Investment Law.

The Authority's Chief Executive Officer shall issue a manual containing the following information and details:

- 1) The name of the authority that issues the approvals, permits or licenses and its administrative subordination.
- 2) The documents required from the Investor.
- 3) The procedures required for obtaining the investment services.
- 4) The service charges of issuance of the approvals, permits and licenses.
- 5) The technical conditions and controls according to the applicable laws and Regulations for obtaining the approvals, permits and licenses, as per the applicable laws and regulations.
- 6) The times of service performance as prescribed in the Investment Law.
- 7) The related legal document.

- 8) The documents required to start the insurance participation in coordination with the National Social Insurance Authority.

Such manual shall be made available on the website and publications of the Authority and other authorities

The Authority shall be review and update this manual periodically and when necessary in light of the amendments may occur to the applicable legislation in the State.

Chapter (2): Approval Offices and Certificates

Article (17)

The Approval Offices should meet the following conditions in order to be licensed:

- 1) The applicant should be a joint stock company whose activity is limited to the business of Approval Offices.
- 2) To submit an application to the Permanent Committee for Approval Offices using the form approved by the Authority, and the application should be signed and fingerprinted by the legal representative of the company, and attached with all documents stated in the approved form.
- 3) The Office should have specialized technical staff that their qualifications and experiences are compatible with the required specialties for which the Office issues a certificate of approval. The technical staff should have experience of ten years at least in the required specialties.
- 4) The Office should have the material elements as necessary for practicing its activity in issuance of the approval certificates.
- 5) A copy of an insurance policy valid for one year, renewable to one or more similar periods to cover the risks and damages resulting from the activities carried out by such Approval Offices.
- 6) Payment of the licensing and license renewal fee according to the following categories:

Description	Fee in EGP Thousand
Issuance of a license to the Approval Office for issuing an approval certificate stating that the Project meets the conditions of obtaining one approval, permit or license for setting up, establishing, operating or expanding the Project.	10
Issuance of a license to the Approval Office for issuing two approval certificates stating that the Project meets the conditions of obtaining two kinds of the approvals, permits or licenses for setting up, establishing, operating or expanding the Project.	15

Article (18)

The Authority's Chief Executive Officer, or whoever he may authorize, shall issue the license to the Approval Office for one year. It may renew this duration for similar duration(s) under the application form prepared for this purpose, within at most one month before the date of its expiry, taking into consideration the results of assessment of these offices by the Permanent Committee for Approval Offices, and the offices fulfill the conditions of licenses as aforesaid.

Article (19)

The Approval Offices shall procure a valid annual insurance policy in a sum insured to be decided by the Authority subject to a minimum of one million Pounds. Such policy should be issued by a registered insurance company that is subject to the control of the Public Authority for Financial Control and should be in the name of the Authority

The policy shall cover the risks and damages resulting from practicing the profession by the Approval Offices, which may be sustained by the concerned party that authorized the office to render the service or sustained by a third party, whether sustained as a result of an error, negligence or default by the Approval Office or its affiliates while performing their work during the period of insurance.

Article (20)

A committee named "the Permanent Committee of Approval Offices" shall be formed in the Authority to be chaired by a Deputy to the Chief Executive Officer and composed of the following members:

- Head of the Investment Service Sector.
- Head of Central Department of Licensing.
- Head of Central Department of Engineering Affairs.
- Head of the Investor Service Center.
- Three members experienced in fields of law, accounting, consultancy and the other technical specialties.
- Representative of the competent authority at the Investor Service Center.

This Committee may seek the assistance of any specialized persons as necessary for performing its work.

The Minister in charge of Investment Affairs shall issue a decision concerning the formation of the Committee, its technical secretariat and nomination of members, based on a proposal by the Authority's Chief Executive Officer.

Article (21)

The Permanent Committee of Approval Offices shall have the following functions:

- 1) Review the license application for the Approval Office for ensuring the availability of the conditions and controls prescribed for issuing the license or renewing it, and submit the same to the Authority's Chief Executive Officer.
- 2) Set the bases of determining the price of services rendered by the Accreditation offices, and presentation thereof to the Chief Executive Officer to have them endorsed by the Authority's Board of Directors.
- 3) Continuously follow up these Offices to ensure the fulfillment of the controls and conditions legally stated.
- 4) Prepare a semiannual report on the assessment of the performance of these Offices and submit such report to the Authority's Chief Executive Officer for his opinion as he may see fit in case of decreasing assessment level
- 5) Provide the Administrative Authority with a statement about the Approval Offices registered in the Authority's Register.
- 6) Examine any violation attributed to the Offices or their employees and take any of the necessary measures and actions stipulated in the Law or these Regulations. The Chief Executive Office of the Authority shall submit the results of examination of such violations to the Authority's Board of Directors to apply any of the penalties stated in the Article (22) of the Investment Law, if required.
- 7) Receive, check and study the proposals and complaints presented by the Approval Offices and submit the same to the Chief Executive Office to take the actions as he may see necessary.
- 8) Set the policies that would improve the performance level of the Approval Offices.

Article (22)

The licensed Approval Offices may not assign or transfer the license to any third party. In case of violating the same, the matter shall be offered to the Permanent Committee for Approval Offices to present the matter to the Authority's Board of Directors to revoke the license.

Article (23)

In addition to the rules of professional responsibility provided for in the Investment Law, the Approval Offices shall comply with the following rules in practicing of their business:

1. Finish the examination as necessary for issuance of the approvals, permits or licenses on time according to nature of procedure;
2. Train the staffs performing the examination;
3. Follow the necessary technical methods for examining the documents in order to make sure of their fulfilment according to the approved technical conditions and controls in this regard;
4. Prepare a database of all applications submitted to the Office and the result of examination, study and duration;
5. Fairly treat all applications submitted to the office;
6. Observe the bases of service charges;
7. Procure insurance policy for the employees;
8. Liable for the acts and works of their employees; and
9. The Approval Offices or any of their employees may not conclude an employment contract of any form with the Authority, any of the Administrative Authorities or any applicants with respect to the activities practiced by such Offices.

The Authority shall set forth a system for assessing the Approval Offices performance under a decision issued by the Authority's Board of Directors based on a proposal by the Authority's Chief Executive Officer, that includes the standards of service performance, its dates and fees received by the Approval Offices and the extent of their observance of the rules of professional responsibility.

Article (24)

The Investor shall submit an application to the licensed Approval Office attached with two copies of all documents required according to the manual of conditions and procedures concerning the investment activities stipulated in the Article (19) of the Law, in order to examine them for ensuring that they are compatible with the conditions and procedures as necessary for issuing the approval certificate required according to the kind and nature of each license, and attached with all documents required for issuing such certificate as provided in the Investment Procedure Manual.

The specialized Approval Office shall have the right to conduct all primary inspections, if necessary, and studies, examinations and tests and others as necessary for issuing such certificates.

Article (25)

The licensed Approval Offices shall issue to the Investor, at their own liability, a certificate of approval of three copies, a copy thereof shall be delivered to the Investor, his representative or whoever he may authorize, valid for one year which states the degree of meeting the conditions, in whole or in part, by the Investment Project, in accordance with the laws and Regulations which regulate the issuance of approvals, permits, and licenses. A copy of the certificate shall be sent by the Offices to the Investor Service Center at the Authority or its branches and the Competent Authority, attached with a copy of all documents under which the certificate was issued, under a registered letter with acknowledgment of receipt or delivered by hand in the headquarters of the Competent Authority.

Article (26)

Without prejudice to the provisions of the civil and criminal liability resulted from violations committed by the Approval Offices registered with the Authority, the Chief Executive Officer may, based on a proposal by the Permanent Committee of Approval Offices, give notice to the Office in case of violating any condition of the license, under a registered letter with acknowledgment of receipt for rectifying the violation within a period not exceeding fifteen days of the date of notice.

If such period is elapsed without the Office rectifying the violation, the Authority's Board of Directors may, based on a recommendation by the Chief Executive Officer, write off the Office from the Authority's Register for a period of no longer than one year.

Issuance of the approval certificate that is not true or issuing it in violation of the rules provided for in the Investment Law or these Executive Regulations will render the insurance amount due and entitled and will be payable to the beneficiaries as stated in Article 19 of these Regulations and the Office will be written off from the Authority's Register for a period of no longer than three years under a decision to be issued by the Authority's Board of Directors based on a proposal by the Chief Executive Officer.

In case of reoccurrence of the violation, the Authority's Board of Directors shall issue a decision to permanently deregister the Office from the Authority's Register.

In all cases, the Authority shall notify the Approval Offices of the decision in this regard under a registered letter with acknowledgment of receipt.

Article (27)

The Approval Office shall be written off from the Authority's Register in any of the following cases:

- 1) Dissolution or liquidation of the legal entity of the Approval Office.
- 2) Cancellation of the license issued for it by the Authority for practicing the activity.
- 3) If the licensee fails to renew the license granted thereto within two months of the date of its expiry.
- 4) Suspension of the Approval Office's activity, liquidation of its operations or expression of desire to stop the practice temporarily or finally before at least three months of the date set for this purpose by the Office.

The Authority's Board of Directors shall issue the deregistration decision, based on the recommendation of the Permanent Committee of Approval Offices. In all cases, the Approval Office must complete the procedures of examination of all applications for approval submitted thereto before being deregistered.

Article (28)

The Authority shall publish the information of the Office registered with it, or any amendment thereto, and write off its registration, temporarily or finally, or suspend or revoke license thereof, in the Investment Journal or in any other means of publishing. The publishing shall be at the expense of the Approval Office in all cases.

Article (29)

The Approval Certificate attached to the Investor's application submitted to the competent authority shall be acceptable by such authority and its representative in the in the Investor Service Centre as well as other competent authorities. This may not prevent the Competent Authority and its representative from raise a caused objection to the certificate within 10 business days from its submission.

The competent authorities shall examine the investment applications submitted thereto through the Investor Service Centre; and ensure that all conditions to accept the applications are satisfied as stipulated in the Investment Law. They must decide on the applications within a period of no longer than 60 days from the date of submission of the complete application with all its documents.

In all cases, the Investor and the Authority shall be notified of the decision on the application whether by rejection or acceptance by a confirmed registered letter within 7 days from the elapse of the two periods stipulated in the above clauses. Those concerned with interest may file a complaint against the decision before the committee provided for in Article (83) of the Investment Law.

In the event of no response by the Competent Authority on approving or rejecting the application within the prescribed period, it is deemed as an acceptance of the application of the Investor for which as a decision shall be issued by the Authority's CEO using the form prepared for this purpose. The Authority shall formally notify the Competent Authority of such approval. The approval shall be valid per se and binding to all authorities within the limits of the data contained therein. The Competent Authority may not interpose the Investor or stop the establishment of the project or stop the start of its activity except in the cases regulated by the Investment Law and after referring to the Authority.

Chapter (3): Incorporation of Companies – Automation – Liquidation

Article (30)

Subject to the provisions of the Capital Market Law, and Special Economic Zones Law, the Authority shall be the competent administrative authority that provides all incorporation and post-incorporation services to the companies and establishments engaged in any activities stipulated in the Investment Law, or those subject to the Joint-Stock Companies, Partnerships Limited by Shares and Limited Liability Companies Law, or of any legal entity whatsoever, through the Investor Service Centre at the Authority or any of its branches.

In doing so, the Authority shall not abide by any procedures stipulated in the other laws, and all relevant authorities shall regularize their statues to activate these services.

Incorporation System and E-Services

Article (31)

Every kind of companies shall have a Memorandum of Association and Articles of Association on which a decision shall be issued by the Competent Minister. Each company shall also have a certificate of incorporation whose data shall be determined by a decision issued by the Authority's Chief Executive Officer. An establishment shall have a form of establishment whose data shall be determined by a decision issued by the Authority's Chief Executive Officer and shall be registered in the Commercial Register.

All competent authorities, banks and relevant authorities shall accept this certificate or such form, as the case may be, as an official document in their transactions upon issuance thereof by the Authority.

Article (32)

The parties with interest that wish to incorporate a company shall follow the following steps:

- 1) Create an account on the Authority's portal, through which it could get incorporation e-services.
- 2) Fill the incorporation form through which it shall determine the company legal entity and bylaw, and all information and documents necessary for obtaining the service.
- 3) Submit the incorporation application online or fulfil all amendments, if any.
- 4) To pay the incorporation fees online by one payment for the account of the entities that provide the incorporation and post-incorporation services.
- 5) To electronically sign all forms.

The Authority shall give its opinion about the approval to the company's name upon submitting the incorporation application.

Article (33)

With the exception of the cases where the incorporation applicant is required to obtain a prior approval on the Project, the applicant shall, enclose his application for incorporation along with all documents necessary for reviewing the same according to each kind of the companies, in particular the following documents:

First: for Capital Companies:

- 1) Submit the certificate confirming deposit of the legal percentage from an approved bank licensed for that purpose.

- 2) Copy of the ID's of the Founders, Members of Board of Directors, Managers or Partners.
- 3) Copy of incorporation's powers of attorney.
- 4) Permission by the Competent Authority in case the Founder or Member of Board of Directs is a public servant or an employee with a company of the public sector or public business sector for the joint stock companies.

Second: for Partnerships and Individual Establishments:

- 1) Copy of the ID's of the partners or owner of the Individual Establishment, as the case may be.
- 2) Copy of incorporation's powers of attorney, as the case may be.
- 3) Acknowledgment by the joint partner or his representative or the non-partner director or the establishment's owner concerning that he does not act as a public servant or an employee with a company of the public sector or public business sector.

Provisions regulating the publishing of the Company's Articles of Association and its amendment procedures

Article (34)

The Company's Memorandums of Association and Articles of Association and amendments thereto shall be published at the expense of the interested parties in the Investment Newspaper at the Authority, or by any other electronic means.

It may publish the same in a foreign language other than Arabic if it was requested by the interested parties and under their responsibility.

The Board of Directors may set the procedural conditions and rules for amending the memorandums and articles of association.

Certificate of the Investment Project

Article (35)

The Chief Executive Officer shall issue a certificate for the Investment Project or an amendment thereto. The certificate shall contain the following information:

- 1) The unified national number of the establishment or company regardless of its legal entity in accordance with the international standards in this regard, and the licensed activity code, on condition that integration with the enumeration data is observed and developing a system for the unified number of the companies and establishments.
- 2) The Project's name, investment activity and geographic scope.

- 3) The Project's investment costs and licenses of activity performance.
- 4) The name of the responsible manager or the managing director and his details.
- 5) The incentive system of the Investment Project and the benefits granted to it and the period of effectiveness.
- 6) The Project's legal entity.
- 7) The Project's capital, registered capital, issued capital and paid-up capital.
- 8) The head office and sites of activity performance.

Determining the Companies' Capital by the Free Currency

Article (36)

It may determine the companies' capital upon incorporation by any free convertible currency according to the following two conditions:

- 1) To deposit the stated percentage of the capital of the Joint-Stock Companies or Partnerships Limited by Shares by any free currency in any bank registered with the Central Bank of Egypt into the foreign currency account.
- 2) To deposit the full capital of the other legal entities of the companies by any free currency in any bank registered with the Central Bank of Egypt into the foreign currency account.

In all cases, the funds shall be deposited with the same currency according to the data specified by the investor, or attorney thereof, in the investment application. Further, the companies shall be obligated to prepare the financial statements, as per the Egyptian accounting standards, with the same currency of incorporation without prejudice to the obligation of the stock companies concerning publishing their financial statements.

The existing companies may apply for converting their capital from Egyptian Pound into any other free convertible currency in accordance with the following controls:

- 1) Issuance of a resolution by the Extraordinary General Assembly or the Partners, as the case may be, by the majority stipulated in the Company's Memorandum or Articles of Association concerning the approval to convert the capital into any other free convertible currency.
- 2) The company's issued capital, prior to conversion, may not be less than 250 Million Pounds paid in full.
- 3) The capital shall be converted according to the prevailing exchange rates determined by the Central Bank in the day of issuance of the resolution of the Extraordinary General Assembly or the Partners, as the case may be, concerning the conversion, on condition that it should complete the other procedures of conversion within at most (120) days of this date.

- 4) To submit a certificate confirming that on the time of incorporation, the founders, shareholders, or partners have paid (100%) of the company's paid-up capital before converting in the free convertible currency transferred from abroad, and submit a certificate confirming that the shareholders paid at least (100%) of the remaining issued capital of the company by converting from foreign currencies transferred from abroad or from the profits made by the company prior to the conversion.
- 5) To reword the financial statements of the company in the year preceding the conversion to become in the free convertible currency, as per the Egyptian accounting standards.
- 6) The companies shall be obligated to prepare and publish the financial statements with the same convertible currency.

The above controls shall be applied if there is a change to the company's legal entity or merging, dividing, or transferring it from the Free Zones regime into internal investment regime or vice versa if any of such cases led to changing the new company's capital to become in a free currency, whether in the company which has a new legal entity, the merged company resulting from the merger, or the company converted from the Free Zones regime into internal investment regime or vice versa.

Automation of Incorporation and Post-Incorporation Services and Unification of their Procedures

Article (37)

The Authority shall be obligated to set up an automated and unified system for providing all incorporation and post-incorporation services, that contain the information, forms and documents as necessary for providing the incorporation services to the companies and establishments of any legal entity whatsoever and the post-incorporation services through the electronic networks and the other means of technology and shall make such system safely available on the internet.

The Authority may make this system available on the mobile phones or tablet computer once it is activated.

This system shall be applicable before all other entities.

Obligations of the Competent Authorities

Article (38)

The Competent Authorities shall establish or develop the infrastructure of the technological and information systems and the electronic databases currently in place in such authorities to achieve safe information exchange and integration with the electronic systems to present all stages of the incorporation and post-incorporation services at the Authority.

The Competent Minister, along with the concerned ministers, each in his relevant filed, shall take the necessary actions to activate the electronic service system, link their systems and databases with the Authority's electronic service system and database, and follow-up on the competent authorities as they regularize their status.

The competent authorities shall also furnish the Authority with all the documents, forms, and data related to the delivery of services.

Until they regularize their status, the competent authorities' representatives at the Authority may deliver the services through the electronic system provided by the Authority at its offices.

Without prejudice to Article (50) of the said Investment Law, the competent authorities shall accept electronic payment of all the fees and amounts prescribed by the laws.

Voluntary Liquidation of the Investment Project

Article (39)

It shall follow the following procedures upon the voluntary liquidation of the companies governed by the provisions of the Investment Law and Joint-Stock Companies, Partnerships Limited by Shares and Limited Liability Companies Law:

First: Appointment of a liquidator and marking his name in the Commercial Register:

The appointment of the liquidator shall be under a resolution by the Partners or Company's General Assembly, as the case may be, and marking his name and determining his scope of task and its duration in the Commercial Register, and adding the expression of "Under Liquidation" in addition to the company's name.

The Authority should publish the same in the Investment Newspaper and a widely-circulating newspaper within a week of the date of marking the company's liquidation in the Commercial Register or by any other electronic means at the expense of the company under liquidation. The publishing should contain the following information:

- a) The Liquidator's name, summary of his task and period of liquidation.
- b) The name of the Company with the expression of (Under Liquidation).
- c) The date on which the liquidator shall start receiving the requests for investigating the debts attached with the supporting documents, provided that such date shall be after one month at least of the date of publishing.

To advise the Competent Administrative Authorities that the company is under liquidation, and such authorities shall inform the Authority and the liquidator with their final financial liabilities payable by the company under liquidation within 120 days maximum from the date of being notified therewith or submit a request by the liquidator about the same. The expiry of this period without notification of such liabilities shall be deemed as discharging of the company under liquidation from the liabilities, without prejudice to the criminal and disciplinary liability of the person responsible for issuing such false statements or the person responsible for the lapse of the period referred to without replying to the request.

Second: Completion of the Liquidation:

The liquidator shall submit the meeting minute of the Partners or the Ordinary General Assembly that includes their approval by the majority stipulated in the Company's Memorandum or Articles of Association to the report prepared by him/her about the result of liquidation, attached with the following:

- 1) The final account of liquidation approved by the liquidator in accordance with the accepted accounting rules and standards in Egypt for preparation of the financial statements.
- 2) The liquidator's acknowledgment concerning that he completed the works of liquidation and fulfilled the liabilities required by the company and distributed the liquidation resultant, if any, to the partners or shareholders.
- 3) A certificate confirming the publishing.
- 4) An acknowledgment by the liquidator and partners or shareholders with their responsibility for the liquidation works.

The Authority shall deliver a letter to the liquidator – under his responsibility – concerning the approval to the company's liquidation, addressed to the Commercial Register for deregistering the company from the Register based on the liquidator's request and approval of the Partners and Ordinary General Assembly thereto.

The Competent Commercial Registry shall deregister the company from this Register once it has received the Authority's approval on the company's liquidation.

Chapter (4): Prior Approval and Single Approvals

Prior Approval

Article (40)

In line with of the national economic development plan, the Authority may extract the approvals, permits or licenses for establishing the investment activities on the lands allocated for investment before allocating them to the Investors.

The concerned entities should submit such approvals, permits or licenses to the Authority within at most sixty days of the date on which the Authority applied for issuing the approvals, permits or licenses.

The Authority shall announce the lands that meet all approvals, permits or licenses and receive the applications from the Investors, provided that it should collect the fees and other charges due to the competent authorities in consideration of such approvals, permits or licenses from the Investors upon completing the procedures of allocation of lands.

In all cases, the Investor shall be responsible for extracting the approvals, permits or licenses necessary for starting the production or practicing the activity, as the case may

be, and also be responsible for executing the timetable submitted by him/her to the Authority for performing the activities on times.

Single Approval Projects

Article (41)

The Council of Ministers shall, based on the proposal of the competent Minister, issue a decision concerning the conditions of the strategic or national project, taking into consideration the amendment and update of these conditions periodically in light of the national economic development plan.

Article (42)

The applicant for the approval stated in the Article (20) of the Investment Law should meet the following conditions:

- 1) Take the entity of an Egyptian joint-stock company in accordance with the provisions of the Investment Law, where its issued capital shall not be less than 50% of the costs of the Investment Project.
- 2) Submit a general plan prepared by a licensed national or world famous expert.
- 3) Submit a timetable for project execution.
- 4) Provide all facilities of the infrastructure (roads, water, sewage, electricity, communication, waste treatment).
- 5) To submit an acknowledgment concerning observance of all controls and conditions related to the company's activity in accordance with the relevant laws and Regulations.

Article (43)

The companies incorporated for setting up strategic or national projects contributing in achievement of the sustainable development in accordance with the national economic development plan, or joint ventures between the public sector and the State or the public sector or public business sector in the activities of the public utilities and infrastructure or new or renewable energy, roads and transports or ports, communications, or information technology shall apply to the Authority for obtaining the Single approval, and the Authority shall study such application and ensure the fulfillment of the conditions and controls provided for in the Article (60) of these Regulations.

The Minister of the Investment Affairs shall offer the company's application to the Council of Ministers for issuing a decision granting a Single approval to the company for setting up, operating and managing the Project, including the building licenses and allocation of the properties required for the same. Such approval shall automatically be effective without the need to take any other actions.

The Authority shall coordinate with all Authorities concerned with the company's activity, and such Authorities shall facilitate all procedures related thereto.

Chapter (5): Allocation of Real Estate Properties for Investment

Article (44)

The Administrative Authorities which have the jurisdiction shall, after coordination with all the Competent Authorities and the National Centre for Planning of State Land Use, provide the Authority with detailed maps specifying all the real-estate properties subject to its jurisdiction and available for investment, in addition to complete database that contains the location, area, prescribed building conditions, estimated price, condition of the facilities, the investment activities suitable for their nature, and the method of disposal thereof.

The Authority may request any further information required for the investment map. Further, these authorities shall update this information regularly every six months or whenever it is required by the Authority.

The Authority shall work with all concerned authorities to set up the infrastructure for the electronic linking with the Authority for allowing speed up exchange of the data and information related to the real estate properties available for the investment.

Upon the approval of the Council of Ministers, the President of the Republic shall, based on the proposal of the Minister of Investment Affairs, issue a decision transferring the title, changing the jurisdiction, or supervision of some real-estate properties owned by the State as a special ownership or by the public legal persons, from the administrative authorities which have the jurisdiction to the Authority whenever it is required to execute the Investment Plan, and the Authority shall, upon approving them by the Supreme Council for Investment, dispose such real-estate properties in accordance with the provisions of the Investment Law and these Regulations.

The Investment Map

Article (45)

The investment map shall include defining the investment type, regime, geographic areas, and sectors, in addition to the real-estate properties owned by the State or other public legal persons which are prepared for investment, and the arrangements and manner of disposal of such real-estate properties pursuant to the type of the investment regime.

The Authority shall draw up the draft investment plan in full coordination and cooperation with the Concerned Authorities in the State, and provide an electronic link for circulating such maps and data between the Administrative Authorities which have the jurisdiction and the General Authority for Investment and Free Zones.

The investment map shall be reviewed at least every three years and whenever it is necessary based on a proposal by the Authority.

Article (46)

The Investors may dispose the real-estate properties owned by the State or other public legal persons for the purpose of investment in accordance with the provisions, controls and procedures stipulated in the Investments Law and these Regulations, after assuring that there is no dispute about them , and taking into consideration the investment plan of the State, volume of the Investment Project, nature of its activity and value of the Invested funds, through the Authority in coordination with the Competent Administrative Authorities.

Such disposal shall not be subject to the provisions of the said Law on Organizing Tenders and Bids promulgated, except in the matters not specifically provided for in the Investment Law without prejudice to its provisions.

The Administrative Authority which has the jurisdiction on the property and the Authority shall notify each other of the serious transaction relating to the properties listed on the Investment Map within no later than 3 business days. A transaction on the property is considered serious when a formal application is submitted enclosing all necessary documents.

The Investor must adhere to the time schedule submitted thereby for the implementation of the Investment Project which is approved by the Competent Authority, as long as such Authority has met its obligations toward the Investor. The Investor may not make any amendments to the Investment Project by amending its purpose, expanding or enlarging its volume or other amendments except upon the written consent of the Competent Authority, whether directly or through its representative at the Investor Service Centre.

Types of Disposal of the Real Estate Properties

Article (47)

Subject to the provision of Article (37) of the Investment Law, the real-estate properties required for setting up or expanding the Investment Projects may be disposed of by any of the following methods: sale, lease, lease-to-own, or license for usufruct.

This shall be conducted either upon the Investor's application according to the form prepared for this purpose to the Authority or any of its branches or offices, stating the purpose, area and place where he **desire** to set up the project, or based on an invitation by the Authority in coordination with the Competent Administrative Authority including an offer of the investment opportunities available for the investment through the different means such as conference ... etc.

These real estate properties shall be offered, based on an announcement in coordination with the Competent Administrative Authority, through the suitable means of publishing, including the Authority's website. In all cases, the announcement should include the properties' area, site, method of disposal therein, landmarks, prices and the other required conditions and the last date for submitting the applications and the other matters required for achieving the purpose of announcement.

In all cases, the period of announcement should be at least fifteen days.

Article (48)

The Competent Administrative Authorities which have the jurisdiction may participate in the Investment Projects in the real estate properties as in-kind share in the Project's capital, according to the following procedures:

- 1) The project company shall be as an Egyptian joint-stock company.
- 2) To estimate the value of the in-kind share through a pricing Entity stipulated in the Article (64) of the Investment Law, provided the assessment report shall be approved by the Competent Authority of such Entity.

The Competent Administrative Authorities having the jurisdiction may also use the property to share in the Project by any of the following method:

- The partnership between the public and private sector (PPP).
- The partnership in consideration of the long-term usufruct.
- Build, Operate and Transfer "BOT".
- Build, Own, Operate and Transfer "BOOT".
- Partnership with a percentage of the project's revenues.

In all cases, the Approval of the Council of Ministers is required in any cases of participation mentioned in the Investment Project.

The announcement should state the participation, its type, nature of property, estimated value and nature of activity required to be set up in the property.

The participation shall be either under an invitation or announcement in coordination with the Administrative Authorities which have the jurisdiction.

Article (49)

For the sole purposes of development, and pursuant to the Investment Map, in the areas determined by a decree issued by the President of the Republic, and after the approval of the Council of Ministers and based on a joint proposal by the Competent Minister and Concerned Minister, the real-estate property, which is privately-owned by the State or the other public legal persons, may be disposed of against no consideration to Investors who meet the technical and financial conditions determined by a decision of the Council of Ministers. The Investor shall submit a letter of monetary guarantee or its equivalent to the authority of jurisdiction which shall not exceed five percent (5%) of the value of the investment costs of the Project within fifteen business days starting from the date of notification by under a registered confirmed letter concerning the satisfaction of the technical and financial conditions, according to the following controls:

- For the production Activity: To present a letter of guarantee or its equivalent at one percent (1%) of the value of the investment costs of the Project.
- For the service Activity: To present a letter of guarantee or its equivalent at three percent (3%) of the value of the investment costs of the Project.
- For the storage Activity: To present a letter of guarantee or its equivalent at five percent (5%) of the value of the investment costs of the Project.

The guarantee shall be deposited with the entity in charge of the disposal in a way compatible with the nature of guarantee under a certified receipt in which it should prove the application number and date of receipt, and there will be no interest on such sum, and it may accept the certified cheques from the drawee bank and those drawn from the banks abroad, on condition that they shall be accepted by a registered bank in the State.

Such guarantee shall be refunded after 3 years from the date of starting the actual production for the projects of the production nature, or the date of the activity start up for other projects, on the condition that the investor complies with the conditions of disposal.

In the case where this contract is not **complete** by a reason of the Investor, the guarantee shall be refunded to him/her after deducting the administrative expenses incurred by the Authority or the Competent Administrative Authority without the need to take any other judicial actions.

Article (50)

Competition between the Investors shall be pursuant to the Article (63) of the Investment Law in any of the following cases:

- Excess in the number of applications for allocation more than the number of lands available at the time of application, taking into consideration the unit of qualitative activity.
- Excess in the number of applications for allocation more than the number of announced projects or licenses.
- Excess in the number of projects that are alike in the nature and volume of investment more than the areas available in the zone target of the investment.

Article (54)

Where there are high number of Investors applications for real-estate properties required to establish Investment Projects, whether by way of sale, lease, lease-to-own, or license for usufruct, those who meet the technical and financial conditions required for the investment shall have preference and shall be selected using the point system based on the principles agreed upon with the Authorities in charge of the disposal of the properties, including the following criteria:

- 1) Technical specifications of the project, in particular the used technology and the extent of its modernity.
- 2) Previous experience or the world reputation.
- 3) Project's ability to provide the foreign fund, whether through exporting its products abroad or providing a local alternative for a product imported from abroad.
- 4) The anticipated investment costs of the Project.
- 5) The value of financial offer and the payment method.

If the preference for selecting the Investors is not possible using the aforesaid point system, it may be carried out based on the highest bid offered.

In all cases, the announcement should include a statement of the principles on which the preference is based.

Article (52)

The request to estimate the sale price, rental value, or consideration of usufruct of the real estate properties submitted to any of the Administrative Authorities provided for in Article 64 of the Investment Law shall include all information that enable the estimating authority to do its work according to the following criteria:

- 1) The prices of adjacent properties.
- 2) The costs of preparing the property and commissioning the necessary infrastructure and the extent of availability of the key utilities.
- 3) The investment activities that may be set up on the lands and properties.
- 4) The other technical elements as the Competent Administrative Authority may see necessary for the estimation.

Article (53)

The estimation powers shall be lasted for one year of the date of receiving the application for estimation by the Authority and the Competent Administrative Authority with the jurisdiction, unless changes occur to such estimation, and the pricing authority shall be entitled with fees in consideration of pricing (within at least half in a thousand of the value of the priced land, at One Hundred Thousand Egyptian Pound maximum to be paid to the Competent Administrative Authority upon completion of allocation procedures.

Article (54)

The concerned authority shall study the applications for disposal in the real estate properties submitted by the Investors and give its technical opinion about the same and state the reasons upon which it relied on the rejection or acceptance decision within a week of the date of receiving the Investor's application or the date of expiring the period determined in the announcement for receiving the Investors' applications, as the case may be.

Article (55)

The Committees formed pursuant to the provisions of Article (65) of the Investment Law shall study the Investors' applications submitted using the form prepared for this purpose in order to verify whether the applications have met the technical and financial conditions previously set out by the Authority in coordination with the Competent Administrative Authority having the jurisdiction, in order to decide thereon within a maximum period of thirty days of receiving the technical opinion by the concerned authority with jurisdiction. The Committees' recommendations shall be approved by the Authority's Chief Executive Officer, provided that such decision shall be advised to the relevant Administrative Authority and the Investor by a registered letter with acknowledgment of receipt or through the other means as agreed in this regard with the Investor upon applying to obtain the service such as the email specified by the Investor in the application for allocation according to the form prepared for this purpose. The notice shall include the necessary procedures for completing the contract.

The names of the Investors who are accepted for allocation shall be published on the Authority's website, in addition to the above-mentioned means of communication.

The Authority shall collect the price or rent and consideration of usufruct, as the case may be, for the account of the Competent Administrative Authority in accordance with the applicable payment methods. The Authority's Board of Directors shall determine the consideration for their services related to the disposal in the real estate properties within thirty days of the date on which these Regulations come into force.

Article (56)

Under a decision issued by the Authority's Chief Executive Officer, a committee shall be formed presided by a specialist at the Authority and membership of representatives of the Competent Administrative Authority. The Committee shall draft and reword the forms of contracts of different disposals in the real estate properties. The Chief Executive Officer shall offer such forms or any amendment thereto to the Authority's Board of Directors for approving them in order to pave the way to offer them to the State Council for reviewing and approving the same. Such forms shall be deemed as a basis for contracting between the Investor and the Authority in charge of disposal of the property.

Article (57)

In the application of the provisions of this Law, the Investor shall adhere to the purpose for which the real-estate property was disposed of, and such purpose may not be changed except upon the written consent of the Administrative Authority with the jurisdiction, in the cases where the nature and location of the real-estate properties allow for such change, on the condition that one year of the date of starting the production or practicing the activity is elapsed and the approval of all concerned authorities is obtained to such change, and the Investor pays at least 50% of the difference between the amount it paid to acquire the property and the market value of the property on the application submission date.

The Competent Administrative Authority shall respond to the Investor application for changing of the purpose, whether by rejection or acceptance and the particulars thereof, within thirty day of the date of receiving the application, and inform the Authority and Investor thereof, otherwise failure to respond shall be deemed as a rejection of the application by the Competent Administrative Authority.

The Investor shall have the right to file a complaint against the decision before the committee provided for in Article (83) of the Investment Law.

Article (58)

The Competent Administrative Authorities may not terminate the contract with the Investor without the approval of the Authority's Board of Directors, and the Authority's Chief Executive Officer shall present the follow-up reports stipulated in the Article (67) of the Investment Law to the Authority's Board of Directors, provided that such reports shall include the details of obligations violated by the Investor, and state whether such violation is stipulated in the Article (67) of the Investment Law, and the report should enclose all the supporting documents.

The Authority's Board of Directors may approve or reject the termination of contract by the Competent Administrative Authority within thirty day of the date of receiving the report, in which case the Competent Administrative Authority may, if persisted in the termination, resort to the Ministerial Committee on Investment Contracts Dispute Resolution stipulated in the Article (88) of the Investment Law within fifteen day, otherwise, this shall be deemed as a waiver by it to the persistence in the termination causes provided in the follow-up report. The Ministerial Committee shall consider the matter within a period not exceeding sixty days.

Article (59)

In the application of the provisions of Article 67 of the Investment Law, substantial violations that result in the termination of the contract, abstention by the Investor without grounds to perform the following:

- Payment of the due instalments or the consideration for usufruct on the due dates after giving notice to him/her concerning the payment.

- Removal of the buildings that contradict the controls and shop drawings approved for the Investment Project and as stipulated in the terms of the contract.
- Start of the project's actual production of the production nature or starting up of the activity within the period stipulated in the terms of the contract, or sticking to the schedule.

The property shall be recovered by a justified decision issued by the Authority's Chief Executive Officer, and it shall be communicated to the investor by a registered letter with acknowledgment of receipt. The investor may file a complaint against such decision pursuant to the procedures prescribed in the Investment Law and these Regulations.

Section (IV): Investment Zones, Technology Zones and Free Zones

Chapter (1): Investment Zones

Investment Regime in the Investment Zones

Article (60)

Investment zones for the various investment fields of investment shall be established under a decree issued by the Prime Minister based on a proposal by the competent Minister of Investment Affairs and the concerned minister and based on the recommendation of the Authority's Board of Directors in light of the application submitted by an applicant wishing to establish the investment zone. The decision shall include the data on the location, coordinates and area of the zone, the nature of activity(ies) to be practiced therein, the time schedule for the establishment and operation, and any further conditions related to practicing such activities inside the zone. More activities may be added to the activity(ies) permitted to practiced inside the zone by a decree issued by the Prime Minister based on a proposal by the Competent Minister.

Every investment zone shall have a developer who shall perform the works of establishment, management, development and promotion in accordance with the time schedules determined in the decision of incorporation, otherwise the decision shall be deemed null and void. It may, under a decree issued by the Prime Minister, or whoever he may authorise, and based on the approval of the Authority's Board of Directors, extend the time schedule for establishing and operation of the zone in light of the justifications submitted by the Developer.

Article (61)

The applications for establishing the investment zones shall be submitted to the concerned Minister or the entity desiring to establish the investment zone, enclosing with the following:

- 1) A description of the site upon which the investment zone proposed to be established, that include its area, location, coordinates, new cadastral map and the legal nature of land ownership.
- 2) A statement of the existing utilities and elements of the infrastructure and those required to be inserted, and a statement of the quantity of water and power required for the zone in the different phases of activities.
- 3) The strategy of zone development and marketing, including a general description of the type of the projects proposed to be attracted and prompted in the zone, their estimated number and the capitals necessary for the same and the number of workers anticipated to be hired in the different phases of activities.
- 4) The general plan proposed for the zone, that includes the services to be provided to the Investors.
- 5) The information of the company entrusted with establishing, development, management and promotion of the zone, including the previous experience, a statement of its shareholders, allotment of capital and the basic information of the other entities applying for the licenses.
- 6) The time schedule proposed for establishing and utilizing the zone.
- 7) An acknowledgment about observing all environmental and health criteria and civil defence, safety and health conditions applicable in the Arab Republic of Egypt, and observing the decision conditions related to the establishing of the zone.
- 8) The form of contract to be concluded with the Investors in the zone, that includes the Investor's commitment with the criteria and conditions mentioned in the previous paragraph, and the decisions, rules and Regulations set by the Authority's Board of Directors for regulating and managing the investment zones, and the terms of lands recovery when not being utilized during a certain period.

Article (65)

Under a decision issued by the Authority's Chief Executive Officer, a committee shall be formed at the Authority. The committee shall be comprised of representatives of the concerned public authorities in charge of the key activities to be practiced in the zone, in addition to a representative of the Ministry of Finance and the Competent Authority having the jurisdiction on the land where the investment zone is located.

The Committee shall study the application and obtain the approvals of the authorities concerned with the key activity or activities in the zone, in addition to the approval of the Ministry of Defence, National Centre for Planning of State Land Use, Supreme Council for Aetiology, Environment Authority and Civil Aviation Authority. The Committee shall issue its recommendations in light of the controls and criteria set by the Authority's Board of Directors, and present the same to the Board stating the reasons for acceptance or rejection of the application. The Authority's Board of Directors shall then consider the Committee's recommendations and issue a decision thereon. If the

application is accepted, the Competent Minister in conjunction with the concerned minister shall present the application to the Prime Minister to issue a decision authorizing the establishment of the investment zone.

Article (63)

Each Investment Zone shall have a Board of Directors to be formed by a decision issued by the Competent Minister in agreement with the Concerned Minister for a term of three years. The Board membership shall include representatives of the authorities concerned with the key activity(ies) licensed to be practiced in the Investment Zone, the authority having jurisdiction on the land, the Ministry of Finance, in addition to one member or more representing the entities licensed to have development in the zone and investors therein, one member or more with expertise, entities that support and fund enterprises, as well as representation of any other parties that the Competent Minister and the Concerned Minister think must be invited to the Board.

Article (64)

The Board of Directors of the Investment Zone shall develop the work plan, the conditions and criteria required to practice the activity and regulating the business, to be approved by the Authority's Board of Directors. To this end, the Board of Directors of the Investment Zone may, in particular:

- Set the conditions, criteria and rules concerning the general and special planning and the construction in the Zone in a manner ensuring the availability of the international standards and specifications and supporting the competitive capability of the investment zones without violating the provisions of the said Building Law.
- Set the conditions and criteria to be met for issuing the licenses of setting up industrial, service and commercial projects or any other activities in the zone, or suspending or cancelling them, all without prejudice to the objective conditions prescribed to grant the licenses stipulated in any other laws.
- Set the conditions and criteria to be met for granting approvals with respect to the environment, safety, professional health and civil defence, within at least the conditions stipulated in the relevant governing laws in coordination with the concerned authorities.
- Approve the enterprises in light of the conditions and criteria approved by the Authority's Board of Directors.
- Grant the licenses concerning the construction and management of the public utilities and infrastructure and all other licenses for the investment zones enterprises through their executive offices.
- Overcome all obstructions facing the developers of the investment zones and the investors therein, whether internal or external, in coordination with the concerned authorities.

- Follow up the implementation position of the investment zones and the internal or external entities operating therein.

The Board of Directors of the Zone may license private sector companies to carry out the development, management and promotion business for the Zone without prejudice to the developer's obligations determined in the decision of establishing the investment zone.

The Board of Directors may form committees comprised of the members represented therein and employees of the Authority or in partnership with the external entities that perform specific tasks in favour of the Investment Zone.

Article (65)

The Board of Directors of the investment zone shall submit quarterly reports to the Authority's Board of Directors based on a proposal by the Authority's Chief Executive Officer that includes the executive position of the Zone, the extent of the developer's obligation with the time schedule set forth in the decision, the obstacles facing the Zones or the projects operating inside them and the taken procedures, and the extent of the Board of Directors' observance of the controls and criteria approved by the Authority's Board of Directors for practicing the activity inside the Zone.

Article (66)

The Chairman of the Board of Directors of the Zone shall issue licenses for the Projects to conduct their activity, provided that the license shall indicate the purposes for which it is granted and its term at five years maximum, and it may grant temporary license for one year until the Project meets the approvals of the concerned authorities, and may be renewed for one time for six months under the responsibility of the Project. The license may not be assigned, in whole or in part, except upon the approval of the Board of Directors of the Investment Zone. The rejection of license or of assignment thereof shall be by a justified resolution, and the concerned party may file a complaint against the resolution of the Committee provided for in Article (83) of the Investment Law. This license shall be sufficient in dealing with the various authorities in the State to obtain the services, facilities, privileges, and exemptions for the project without having to be registered in the Industrial Register.

No other administrative authority may take any action inside the Investment Zones established under a decision of the Prime Minister and the Projects operating therein without the consent of the Authority

Article (67)

The Investment Zone shall have an executive office comprising employees of the Authority to be formed under a decision issued by the Authority's Chief Executive Officer subject to the approval of the Competent Minister. The Office shall perform the following tasks:

1. Implement the decisions issued by the Board of Directors of the Zone concerning the issue of all licenses necessary for the approved projects in the Investment Zone in accordance with the controls and criteria approved by the Authority's Board of Directors, within one month at most of submitting the application. If the application for establishing or licensing the project is rejected, then the decision should be based on acceptable excuses.
2. Follow up the implementation of the decisions issued by the Board of Directors of the Investment Zones and deal with all relevant authorities of the projects established inside the investment zone.
3. Follow up and control over the projects inside the investment zone to ensure their compliance with the conditions, criteria and procedures of practicing the activity.

The Office shall receive a consideration for the actual services provided to the Investors according to the criteria set by the Authority's Board of Directors, in particular:

- The approval to set up the project.
- Issuance of building license.
- Issuance of licensing decisions of activity practicing.
- Any other services delivered by the executive office as approved by the Authority's Board of Directors, not exceeding one in a thousand of the investment costs for all the provided services.

The projects operating inside the investment zones shall be responsible for submitting a certificate certified by a chartered accountant that confirms determination of the annual investment costs to the executive offices during the first month of the financial year for settling the paid consideration for the services. If the project did not submit such certificate during that period, then this shall be deemed as consent by the project concerning that the paid consideration for the service does not exceed the percentage of 1/1000 of the prescribed investment costs.

Article (68)

The Authority's Chief Executive Officer may form a committee from the Executive Office management and the concerned authorities, which shall perform the works of guidance, follow-up and support to the projects of the Investment Zones and issue the approvals of such authorities or renew them in light of the controls and procedures applicable with each authority.

Article (69)

Under a decree issued by the Prime Minister based on a joint proposal by the Competent Minister and the concerned minister, the license issued for the establishment of the Investment Zone may be cancelled based on an application submitted by the developer, stating the reasons for cancellation, provided that the recommendation shall include:

- The approval of the Board of Directors of the Investment Zone to the cancellation.
- The developer's obligation with the full payment of the Authority's dues on the projects operating in the Zone up to the date of cancellation.

Having issued the cancellation decision of the Investment Zone, all the concerned authorities shall be notified of such decision and its effects. The Investment Zones that do not have the seriousness or that violate the licensed activities or are unproductive shall be excluded from such controls, and such Investment Zones may be cancelled under a decree issued by the Prime Ministers after obtaining the approval of the Authority's Board of Directors thereto and based on a joint proposal by the Competent Minister and the concerned minister.

Chapter (2): Technology Zones (The Ministry of Communications suggests defining them)

Article (70)

By a decree issued by the Prime Minister based on a proposal by the Minister of Communication and IT and the approval of the Authority's Board of Directors, Technology Zones may be established in light of the application submitted by the Concerned Minister.

The decision shall include a statement of the location and coordinates of the zone, the nature of activities to be practiced therein, the time schedule of establishment and operation, and any further conditions to be added at the discretion of the Authority's Board in relation to the conduct of the licensed activities inside the zone, including the industrial activities, design and development of electronics, data centres, outsourcing activities, software development, technological education, and other associated or complementing activities.

Further activities may be added by a decree issued by the Prime Minister, upon a joint proposal by the Competent Minister and the Minister of Communications and IT.

Every Investment Zone shall have a developer who shall perform the works of establishment, management, development and promotion in accordance with the time schedules determined in the decision of incorporation, otherwise the decision shall be deemed null and void. It may, under a decree issued by the Prime Minister, or whoever he may authorise, and based on the approval of the Authority's Board of Directors, extend the time schedule for establishing and operation of the Zone in light of the excuses submitted by the Developer.

Article (71)

The provisions of Articles (66) and (67) of these Regulations shall apply to the Technology Zones, and the machineries, equipment, tools and supplies required to conduct the licensed activity for the Projects established within the Technology Zones shall not be subject to all kinds of taxes and customs duties, and the release thereof shall be according to the customs procedures set forth by the Minister of Finance.

The machinery, equipment, tools and supplies are the full production lines with all their accessories even if they were imported in part until the Project is completely set up.

The Projects according to the provisions of this Article shall be fully responsible for all said machinery, equipment, tools and supplies, subject matter of exemption, and the Project shall procure an insurance policy for such machinery and equipment against all risks before starting the licensing procedures of the activity.

The Projects shall be responsible for inventorying the machinery and equipment, subject matter of the exemption, every year, and the invoices of importing the machinery and equipment shall be approved by the executive office of the Zone in light of the controls set by the Zone's Board of Directors.

Article (72)

Each Technology Zone shall have a Board of Directors to be formed by a decision issued by the Minister of Communication and Information Technology in agreement with the concerned minister for a term of three years.

The Board membership shall include representatives of the authorities concerned with the key activity licensed to be practiced in the Zone, the authority having jurisdiction on the land, the Ministry of Finance, in addition to one member or more representing the entities licensed to have development in the zone and investors therein, one member or more with expertise, entities that support and fund enterprises, as well as representation of any other parties that the Minister of Communication and Information Technology in agreement with the Competent Minister think must be invited to the Board.

Article (73)

The Board of Directors of the Zone may take all decisions and actions necessary to manage the Zone and regulate the business therein, and to approve the establishment of enterprises by the Authority's Board of Directors. To this end, the Board of Directors may, in particular:

- Set the conditions, criteria and rules concerning the general and special planning and the construction in the Zone in a manner ensuring the availability of the international standards and specifications and supporting the competitive capability of the Technology Zones without violating the provisions of the said Building Law.
- Set the conditions and criteria to be met for issuing the licenses of setting up enterprises in the zone, or suspending or cancelling them.
- Set the conditions and criteria to be met for granting approvals with respect to the environment, safety, professional health and civil defence, within at least the conditions stipulated in the relevant governing laws in coordination with the concerned authorities.

- Overcome all obstructions facing the developers of the Technology Zones and the investors therein, whether internal or external, in coordination with the concerned authorities.
- Follow up the implementation position of the Technology Zones and the enterprises operating therein.

The Board of Directors of the Technology Zone shall submit quarterly reports to the Board of Directors of the Authority that cover the implementation position of the Zone, compliance by the Developer with the schedule specified in the decision of establishment, and the obstacles which the Zone or the projects therein may face, and the procedures taken to handle such obstacles, in addition to the compliance of the Board of Directors with the controls and criteria prescribed by the Authority's Board of Directors for the practice of the activity within the Zone.

Chapter (3): Free Zones

Article (74)

Under a decision issued by the Authority's Chief Executive Officer stating its formation and powers, a permanent technical committee for free zones affairs shall be created at the General Authority for Investment and Free Zones. The Committee shall review the matters referred to it, in particular:

- 1) Propose the policies for the Free Zones and present them to the Authority's Board of Directors.
- 2) Study the applications for setting up the projects of the Public Free Zones.
- 3) Approve (amendments to the company's articles of association, legal entity, duration and the period of license of practicing the activity, etc.) before presenting the same to the Competent Zone's Board of Directors.
- 4) Propose the solutions for the problems facing the projects of the Free Zones and overcome the obstacles in a way ensuring executing the Authority's policy in encouragement and attraction of the investments.

The Committee shall hold its meeting every week, and its decisions shall be communicated to the Investor through the Board of Directors of Competent Zone within three days of the date of passing such decisions.

Article (75)

Based on the recommendation of the Competent Minister, the Council of Ministers shall issue a decision to approve the establishment of Special Free Zones. The Board of Directors of the Authority shall issue a decision to determine the procedures for licensing, license amendment and license renewal for the practice of the activity by the enterprises

The Chairman of the Board of Directors of the competent Free Zone shall issue a decision to license the practice of the activity and to approve its location, provided that the license must include a statement of the project's purposes, term, limits and the value of guaranty to be submitted as a security for the liabilities that may be due from the project to the Authority. The Chairman of the Board of Directors of the Zone shall consider the renewal and amendments of the licenses.

Article (76)

The approval to establish the enterprises of the Special Free Zones shall be subject to the following conditions and controls:

- 1) There is no appropriate location for the project activity inside the Public Free Zones, and that the location required for the Special Free Zone is the effecting factor for the economics of the Project. It may not issue new licenses for setting up the projects of the Special Free Zones inside the residential scope of the residential properties or in the places licensed by any other customs system such as the free markets and customs warehouses.
- 2) The legal entity of the project is a joint-stock company or limited liability company.
- 3) The project's issued capital shall not be less than USD 10 million, and the investment costs thereof shall not be less than USD 20 million or its equivalent in the free currency.
- 4) The number of the permanent workers in the industrial projects shall not be less than 500 workers. This condition is excluded in some strategic projects of special importance which the nature of their activity does not require a large number of worker.
- 5) The project area shall not be less than 20,000 square meters.
- 6) The local content may not be less than 30%.
- 7) The percentage of exportation abroad shall not be less than 80%. This condition is excluded in the strategic projects of special importance
- 8) The projects of the Special Free Zones shall observe the conditions of industrial security and civil defence and fire according to the Egyptian Code in this regard, or pursuant to the decisions issued by the Minister of Industry Affairs concerning the industrial establishments, and secure their establishments and boundaries with watchtowers and surveillance cameras and personnel of the Authority Security and Ports Security at the expense of the project.
- 9) The Authority shall follow up the activities of the Projects of the Special Free Zones in a way ensuring the good performance of their works and assuring the integrity of the procedures of practicing the activities, provided that the Competent Zone's Management shall present periodical reports to its Board of Directors to see whether the project continues in business according to the system of Special Free Zones. All Projects of the Special Free Zones shall put

their ledgers and books at the disposal of the Authority during the inspection and follow-up, and the Authority may ask for the help of any concerned authorities in this regard.

The final approval to the project shall be forfeited if the Investor did not take serious execution actions, including starting the incorporation procedures, submitting the engineering drawings, obtaining the necessary approvals for setting up the project from the concerned authorities, the time schedule to starting the activity practice within six months of the date of notification of the approval to establish the project. This period may be extended for one or more other periods in light of the justifications provided by the interested parties and assessed by the Board of Directors of the Zone.

Article (77)

Practicing the activities under the Free Zones System shall be in accordance with license terms issued by the competent Board of Directors of the Zone, after examination of the application to establish a project and expression of opinion thereon by the Permanent Technical Committee for Free Zone Affairs.

Article (78)

The Board of Directors of the Public Free Zone shall have the power to issue the final approval on conducting the projects, and cancel the same, and the Chairman shall issue a decision for practicing the activity in accordance with the rules set by the Authority's Board of Directors. The license shall indicate the purposes of the licensed project, its duration, boundaries, and the amount and kind of the guarantee submitted by the licensee in consideration of the liabilities dues on the project within at most 2% of the investment costs, according to the following:

- a- For manufacturing and assembly projects: 1% of the investment costs of the project, subject to a maximum of USD 75,000 or its equivalent in a free currency.
- b- For storage projects and the projects that do not require entry or exit of commodities: 2% of the investment costs of the project, subject to a maximum of USD 125,000 or its equivalent in a free currency

The value of guarantee shall be recalculated every three years in accordance with the investment costs of the project based on the last financial statements and final accounts submitted to the Competent Free Zone or if the Project submitted an application affecting the investment costs.

Article (79)

The Authority shall assess the assets, liabilities and in-kind shares of the capitals or their increase for the projects of the Free Zones or upon merging or changing the company's legal entity into a joint-stock company, and the Free Zone's Bylaw shall state

all procedures and documents necessary for the assessment, the method of objection thereto and the consideration for the assessment committee.

Article (80)

The Zone Management shall be responsible for announcing the unoccupied areas and the investment opportunities therein and offering them to the Investor who shall submit an application to the Zone Management stating the purpose of the project and its area according to the form prepared for this purpose. These properties shall be allocated in accordance with the following rules:

- 1) The purpose of the project (the nature of the Investment activity).
- 2) The capital and investment costs of the project.
- 3) The volume of target workers.
- 4) The proportionality of the required area with the type of activity proposed to be practiced.

Article (81)

The Zone Management shall present the application to its Board of Directors for settling it after obtaining the initial approval thereto, and paying 10% of the consideration for usufruct at USD 1000 minimum as an advance payment, provided that such sum shall be deducted upon taking over the land, and shall not be refunded for reasons attributed to the Project. The decisions of the Zone's Board of Directors shall be approved by the Authority's Chief Executive Officer.

Article (82)

The Investor shall approach the Zone Management within 30 days from the date of being notified of the consent to conduct his project in order to take over the land and sign the allocation minutes and the usufruct contracts and pay the prescribed fees as set out by the Authority Board of Directors. The date on which the allocation minutes are signed and the land is taken over deems as a receipt notice.

Should the concerned party fail to apply to the Zone Management within such period to take over the land, the approval shall be null and void unless such party submits justifications acceptable to the Board of Directors of the Zone.

The Licensee shall take the legal actions towards establishing the project and to start the construction implementation according to the time schedule submit by him within 90 days of the date of signing the takeover minutes, otherwise, the approval of the project shall be nullified. This period may be extended for other periods in light of the justifications presented by the Investor, or whoever represents him/her, if they are accepted by the Board of Directors of the Free Zone.

The Authority's Board of Directors shall determine the categories of the value of annual usufruct consideration per square meter for the lands allocated to projects in the general free zones as per the nature of activity and in accordance with the economic requirements of each region. The Authority's Board of Directors may re-consider such categories, if required.

Article (83)

The Chief Executive Officer may, based on the approval of the Authority's Board of Directors and when necessary, approve completion or development of the infrastructure elements of the Public Free Zones not owned by the Authority, provided that the expenses paid by it shall be refunded by deducting them from the consideration for usufruct in the projects set up on such zones in favor of the owner in accordance with the following controls:

- Carrying out the necessary measurements by the Authority to complete or develop the infrastructure resources and determine the expenses and the method and term of recovery of such expenses in accordance with the study conducted on the development works of each zone, and as per the rules applicable in the free zones owned by the Authority.
- Approval issued by the Board of Directors of the public free zone which is not owned by the Authority to assign the Authority to implement the items of required works according to the determined amount and payment methods.

Article (84)

The licensed projects shall be bound to the areas allocated therefor, and they may not stock the goods or wastes or construct buildings or facilities outside such areas, and shall observe the civilizational appearance of the Public Free Zone. Should there any violation, the violator shall be responsible for rectifying the same within the period set by the Zone Management, otherwise, the Zone shall rectify it at the violator's own expense and he shall be obligated to pay a double consideration for occupation according to the category of storage in the occupied areas with no license, unless the Board of Directors of the Zone may release the violator from the double consideration for occupation based on justifications submitted by him/her.

In the cases where the violation is reoccurred, the Board of Directors shall have the right to increase the consideration for occupation.

The violator shall be liable for paying such doubled consideration without prejudice to its right to claim compensation.

In case the Project used areas allocated for other projects, then it shall calculate double occupations on the utilized project, and also calculate sublease on the Project, the land's owner, in accordance with the rules set by the Authority's Board of Directors.

Article (85)

Upon nullifying the approval issued to the project or cancelling the project, the Project shall be liable to hand over the site free from any occupation to the Zone Management. In case there are buildings, facilities or assets at site, the Project shall be liable to remove them at its own expense within the period set by the Board of Directors of the Zone, at six months maximum of the date of notice sent to it under a registered letter with acknowledgment of receipt. However, the project may assign the site, including the buildings and facilities, to another existing or new project under the approval of the Authority thereto, in which case the Authority shall be entitled with a percentage at 1% of the value of such buildings and facilities as assessed through the Authority.

The Project may also assign the same to the Zone Management and deposit their value into an account with the Authority in favor of the Project after deducting the above-mentioned assignment consideration or any other dues to the Authority, on condition that the Project shall finalize all matters related to the goods and assets, if any, during the mentioned period.

If the event the project fails to comply with the provisions stipulated in the previous two clauses, the Board of Directors of the Zone shall issue a decision of evacuation and recovering the site. If there are assets or goods in the site, the Zone Management and the Customs Department shall conduct an inventory and deliver the assets to the Customs Department to keep them temporarily or to sell them in accordance with the provisions of the Customs Law concerning the abandoned or derelict goods and shall deposit the price in an account with the Authority in favour of the Investor.

Article (86)

The goods imported through the Free Zones system must be listed in the bills of lading. Such bills of lading, the AWBs and the invoices must expressly state that they are in the name of the Free Zones.

However, if the goods are imported in the name of the Project, whether for its own account or third party's account, then the Zone Management may exclude the Project from such condition, provided that the Project or third party has no activity in the State.

Article (87)

It shall follow the following procedures for the transit goods and the goods imported in the name of the Free Zones established inside the Customs Departments:

- 1) The Project shall submit one original copy and a photocopy of an acknowledgment to the Zone Management according to the form prepared for such purpose concerning that the goods are imported in the name of the Free Zones, attached with the maritime delivery note.
- 2) The Zone Management shall approve the original acknowledgment concerning that the Project is working through the Free Zone system and that the goods therein mentioned are the types required for the licensed activity, then refer the

same to the Customs for checking the shipment documents and ordering to transport the goods – according to the direct transit system – to the Free Zone by the maritime agent and under its full responsibility.

- 3) The Zone Management shall inspect the goods once they reach the Zone through the random sample or detailed inspection, as the case may be, and present a copy of the inspection result to the Custom and deliver the goods to the person in charge of the Project, thereafter, the goods become under his custody and full responsibility.
- 4) It may use the machineries, equipment, devices and special means of transportation with the exception of the passenger vehicles released for the Public and Special Free Zones within the Customs Department in the Maritime Ports if the nature of the licensed activity requires so.

If such types are temporarily taken out of the Free Zone or Customs Department to inside the country and return thereto, they will be subject to the guarantees, conditions, and procedures specified by a decree issued by the Prime Minister based on a proposal by the Competent Minister and Minister of Finance.

Article (88)

The following procedures shall be applied to the goods imported in the name of the Free Zones of Special Ports:

- 1) The captains of vessels or airplanes or their representatives (maritime agencies or airline company offices) shall submit the bill of lading of the Free Zone goods (Manifesto) to the Competent Customs within twenty-four hours of the time of arrival of the vessel or airplane.
- 2) The Zone Management shall advise the interested parties whose name mentioned in the bill of lading about arrival of their own consignment and assign them to take it within forty-eight hours of the date of notice, otherwise the Zone Management shall have the right to transport them to the places set by them at the expense of the interested parties.
- 3) The project shall submit the acknowledgment of imports – as approved by the Zone Management and attached with the maritime delivery note – to the Competent Customs for registering the same and taking the procedures prescribed for the transit goods.
- 4) After registration, the acknowledgment shall be referred to the Zone Management – enclosed with the consignment document – for conducting the inspection or detailed check, as the case may be, and deliver the goods to the Project, after that the goods become under the custody of the Project and under its full responsibility, and a copy of the inspection result shall be sent to the Customs.

Article (89)

The following procedures shall be applied to the consignment imported in the name of the Free Zones established inside the Country:

- 1) The interested party shall submit the following documents to the Zone Management:
 - a- One original copy and two photocopies of the acknowledgment of imports in the name of the Free Zones according to the form prepared by the Authority.
 - b- The invoices and statement of container of the consignments.
- 2) The Zone Management shall approve the original acknowledgment concerning that the Project is working through the Free Zone system and that the goods therein mentioned are the types required for the licensed activity, and the original copy and a photocopy thereof shall be delivered to the interested party.
- 3) The original copy and a photocopy thereof shall be submitted to the Competent Customs for taking the customs procedures under the customs transit certificate and the goods shall be transported to the Free Zone.
- 4) The goods shall be delivered to the interested party – along with the customs consignment request, a photocopy of the acknowledgment of imports signed by the Competent Customs for confirming completion of the transit procedures over the goods consigned to the Free Zone – to transport them to the Zone Management for inspecting them and executing the inspection information of one original copy and two photocopies in the presence of the interested party.
- 5) The consignment request shall be returned to the Competent Customs – after approving it – enclosed with a photocopy of the inspection information.

In all cases, the interested party shall be liable for any loss or damage may occur to the goods during transporting them to the Free Zone.

Article (90)

The Authority shall provide the Customs Authority upon request of the concerned parties a guarantee on the taxes and customs duties due on the goods as determined by the Customs Authority. This shall be within its transport from the customs departments to the Free Zone, vice versa or within Free Zones themselves.

The Authority shall issue this guarantee against the collection of one in a thousand of its value. This shall be after the project provides an insurance policy against theft, destruction and fire with the total value of guarantee.

Article (91)

After the consent of the Investor, the Competent Minister, in cases of the need that requires the provision of the basic needs to the country, and subject to the approval of the Prime Minister, may decide to allow the entry of goods, materials, equipment and

devices imported in the name of Free Zones from the Customs Department directly inside the Country and release the same. This shall be after finalizing all customs and import procedures, collection of due tax and customs duties and payment of amounts due to the Authority.

Article (92)

It is prohibited to ingress smoking, tobacco, snuff, mu'assel, cigarettes, and cigars of all kinds manufactured in Free Zones inside the Country.

Article (93)

The shipments exported outside the State from projects licensed to work in Free Zones which has special ports, established inside Customs Departments or inside the Country shall adopt the following procedures:

- 1) The concerned party shall provide exports declaration, pursuant to the form prepared by the Authority, of original copy and two photocopies, enclosed therewith evidence on payment of the guarantee provided by the Authority upon its request and the invoice of shipment, to the competent Free Zone department for review and approval.
- 2) A committee composing of the customs and Free Zone department, in the presence of the project representative, shall inspect the shipment and match it with the documents of the project. The result of inspection shall be confirmed on the original copy of the declaration and it shall be delivered to the competent customs in order to take the established customs procedures and issue a clearance permit.
- 3) Packages shall be packed, signed and sent, under the Customs observation, to the port of origin.
- 4) The customs of origin shall attest the copy of export declaration attached with the goods, which states that the export operation is finalized. The declaration shall be delivered to the concerned party that it shall be returned to the Free Zone. This shall be within fifteen days.

Article (94)

The goods may be traded between projects inside the Free Zone or from one Free Zone to another whenever required in order to achieve the licensed purposes of the projects.

Projects trading shall be insider the same Public Free Zone or within various Free Zones under the approval of concerned Free Zones.

Article (95)

The licensed project or establishment in Free Zones shall be responsible fully for any reduction, loss or change in goods and products, in their type, number or weight fixed upon storage, unless the reduction, loss or change is due to the nature of type or resulting from force majeure or accident. The competent Free Zone department shall have the right to collect taxes and customs duties in addition to penalties on deficit or increase which it does not impose on such goods and products. This shall be pursuant to rules and within the limits where the Authority decision is issued thereon.

The previous provisions shall not be applied on any goods or products lost as a result of industrial operation pursuant to the technical percentages enforced in this regard.

Article (96)

The goods and products shall not be subject to any time restriction regarding their term in the zone, except prohibited or harmful pest- infected agricultural plants and products.

Exceptionally, the Public Free Zone Department may order to egress some of these goods, commodities or products and to sale the same for account of their owners along with deduction of taxes and customs duties or to damage the same, in the following cases:

- 1) Expiry of items to exist in the Free Zone or being risky to public health as decided by the competent general authorities.
- 2) If their stay in the Free Zone may damage the shipments therein.
- 3) If the project or establishment activity is suspended, for any reason, for a period where these items or goods cannot exist the items or goods.

In all cases, the Free Zone Department may not execute this order at the expense of the project or establishment unless it refrains from executing the written order issued to transport the items outside the zone or damage the same within the period specified by the zone department.

Article (97)

The Public Free Zone Department shall have the right to issue an order to damage the stored goods and projects upon request of the project or establishment. The request of damage shall be submitted to the Free Zone department indicating the reasons for damage, and type, description, quantity, weight, value of date of receiving the goods and products required to be damages.

The Free Zone chairman shall decide on the request after studying the same and investigating its true reasons and data, and after a committee, formed under its decision, inspects the goods and products to be damaged and prepare a report indicating what is deems permitted in its opinion to be damaged, time, place and method thereof, which achieves safety and security and does not harm public health.

A specialized technical expertise may be sought, when required, to participate in the inspection committee and verify the true data mentioned in the request of damage along with giving opinion in the method thereof.

Article (98)

The goods and products specified in the permit shall be damaged in the time and place and by the specified method, in the presence of competent authorities' representatives and the establishment or project representative. The damaged amounts shall be deducted from the establishment or project balances registered in their records and a minute with the taken procedures shall be issued.

Article (99)

The Authority, upon a written request from the concerned party, shall have the right to permit the entry of local and foreign goods, materials, parts and raw materials from inside the Country to the Free Zone temporarily in order to fix the same or conduct industrial operations thereon and return the same inside the Country without subjecting them to the applicable import rules. These rules shall apply to the goods and raw materials that were subject to conversion processes when returned inside the country.

Article (105)

A declaration shall be attached with the application to include a statement of the items, their quantity, type of works to be conducted, being to fix the same or conduct industrial operations thereon, estimated value of the same, percentages of the estimated loss or damage in case of industrial operations pursuant to the know technical percentages, type and value of foreign materials used in the industrial operations, and specified time of withdrawing such items after completion. The original copy of this declaration shall be approved from the competent Free Zone Department and a photocopy thereof shall be kept.

An undertaking from the project to return the items from the Free Zone to the country after fixing or manufacture or with the fulfillment of customs, exportation and cash procedures in case it decides to export the same abroad shall also be attached with the declaration.

The Authority shall decide on the request within a period not exceeding three days as from the date of completion of documents and conducting the required inspection.

Article (100)

The request to exit from the Free Zone and return inside the Country shall be submitted from the concerned party to the Authority after fixing or conducting the industrial works, indicating the works done, their value, value of the foreign raw material used therein, term thereof, and the shape of items after being manufactured. A copy of the

ingress request, an acknowledgment that such items are those permitted to ingress the Free Zone, and the invoice of fixing or industrial operations value shall be attached with the request. The original copy of this declaration shall be approved from the Free Zone Department and a photocopy thereof shall be kept.

Article (101)

The items referred thereto in the foregoing Article shall be inspected by a mutual committee composing of the Free Zone Department and the Customs, in presence of the concerned party, in order to check the true data and match the same with the submitted documents. The items clearance decision shall be issued after payment of taxes and customs duties. The project shall submit the original copy of the approved declaration to the competent Customs in order to take the required customs procedures. The project shall keep a copy to be submitted with the documents upon returning the items inside the Country.

The items shall be delivered to the project representative and be under its full custody and responsibility until being returned.

Article (102)

The projects in the Public Free Zone licensed to do fixing and industrial operations should specify stores separate from the project stores for goods, materials, parts and raw materials to be fixed or operated, and a special account for this activity separate from the main licensed activity account of the project insuring indicating the results of works for each activity.

Article (103)

The removal of ordinary packages and empty containers, as well as the products that are not fit for exportation and left overs of the manufacturing operations from the Free Zones to inside the Country shall be subject to the approval of the Zone Management. The project shall submit to the competent Customs a statement of these items approved by the competent Free Zone Department, according to such approval, in order to finalize the customs, inspection and matching procedures, collection of due taxes and customs duties and to allow their removal.

As for materials, wastes and left-overs resulting from projects activities operating in the Free Zones, they shall be allowed entry inside the Country whenever the purpose is to get rid thereof or recycle the same. This shall be by the safe methods and means established by the Environment Law.

Article (104)

The collection of the Authority dues at the Free Zones' projects shall be using foreign currency accepted at the Egyptian banks.

Article (105)

Subject to the provisions of Articles (41 & 44) of the referred to Investment Law, the stipulated fees shall be collected in the following manner:

First: The Projects established in the Public Free Zone shall be subject to:

- A fee at 2% upon ingress of goods mentioned in the Free Zone charge for account of the project based on its value to the destination port (CIF) or the customs valuation, whichever is greater. This is regarding the storage projects. Furthermore, 2% of the procurement value in case of direct supply which include goods sale and purchase operation.
- A fee at 1% of the goods value upon egress based on their value (FOB), regarding manufacturing and collection projects. And 1% of the operation value for industrial and supplementary operations conducted on the goods and materials operated in the Free Zones for account of the other.
- A fee at 1% of the total achieved revenues without deducing any loads against obtaining such revenues. This is regarding projects whose main activity does not require ingress or egress of commodities. Further, a fee at 1% of the value of commission in case of direct supply which is limited to brokerage commission collection, provided that the duty stipulated in this paragraph shall be collected on half-annually basis according to the revenues statement provided by the project for this period.

Second: The Projects established in the Special Free Zones shall be subject to:

- A fee at (1%) of the total revenues realized for the manufacturing and assembly projects upon exporting the goods abroad based on the customs document confirming the same, and (1%) of the operation value for industrial and supplementary operations conducted on the goods and materials operated in the Free Zones for account of the other.
- A fee at (2%) of the total revenues of these projects upon ingress of goods inside the Country based on the sale invoice.
- A fee at (2%) of the total revenues realized for the storage projects upon exporting the goods based on the sale invoice.
- A fee at (2%) of the total revenues realized without deducing any loads in consideration of obtaining these revenues, regarding any projects whose main activity does not involve the ingress or egress of goods, and (2%) of the total realized revenues in the cases of direct supply that the fee stipulated in this Clause shall be collected on half-annually basis according to the statement of revenues submitted by the project for this period.

The collected fees provided in Clause (Second) of this Article shall be divided between the Authority and the Ministry of Finance on half-annually basis.

(Direct) transit goods trading sent to special port zones shall be exempted from this fee provided that its final destination shipment documents shall provide the same expressly and they shall be re-exported to another state.

In all cases, the final settlement of the due fee shall be conducted according to the project activity nature based on the financial statements and notes complementary thereto, which are accredited from a chartered accountant after excluding the foregoing.

Article (106)

The projects which conduct their activity under Free Zones System shall provide the competent Free Zone Department and the Ministry of Finance with a copy of the financial statements and the notes complementary thereto accredited from an Egyptian chartered accountant within the ninety days following the end of the project fiscal year. The competent Free Zone Department shall have the right to inspect and review the financial statements and notes complementary thereto items and claim the project to submit the required analyzing data for review.

Article (107)

The Free Zones projects shall pay to the Authority a consideration against the services provided by the Authority for such projects at a half per mil of the issued capital for industrial and assembly projects, and at one per mil of the issued capital for the storage, service projects, and those licensed to practice multiple activities, subject to a maximum of one hundred thousand Egyptian Pounds. The consideration of services shall be paid in freely convertible currency.

The services' consideration shall be calculated for each calendar year except the first year, which shall be at the percentage of the remaining period as from the date of activity license until the end of the calendar year.

Article (108)

The competent Free Zone Department shall pay the Authority dues before the establishment of the project through deduction from the financial guarantee submitted thereby. If the project does not pay the same within fifteen days as from the date of warning with a letter with acknowledgment of receipt, then the project shall complete the guarantee value within fifteen days as from being notified with the same by a letter with acknowledgment of receipt. If the guarantee is not completed then the same shall be presented to the Free Zone board of directors in order to take the actions in deems fit in this regard.

Article (109)

The Investor shall insure all the buildings, machinery, and equipment against all accidents and perils arising from the practicing of the licensed activity. The insurance

policy must be issued by a company licensed to operate within the Arab Republic of Egypt.

In case any accident or perils and the buildings and facilities subject of insurance endanger money and human beings or on the surrounding projects, then the Board of Directors of the Zone may issue a decision removing the facilities of the Project. The decision shall be justified and passed to the Investor or his representative within one week from the date of its issue by a registered letter with acknowledgment of receipt. The Zone Management may shorten this period if necessary.

The Investor shall enforce the decision of removal at his own expense and within the period specified by the Zone Management. In the event that the Investor refrains from complying with the decision, the Board of Directors of the Zone may suspend or revoke the Project, based on the gravity of the risk regarding remaining these buildings and facilities as they are without being removed.

Article (110)

The projects shall conduct inventory to its assets annually in the presence of the competent Free Zone representatives and any concerned authorities the Zone Department deems fit to help. The Free Zone Department may conduct the inventory whenever required, whether being total temporary or partially to one item. In case deficiency or increase is found out, a report shall be drafted with the same indicating the item, amount, weight in details and the date of inventory. The project representative, Free Zone representative and authority representative sought by the Free Zone Department shall sign the same.

The project should put the records and books at the Free Zone Department disposal in order to conduct inspection and matching. The Free Zone Department shall notify the Customs in order to collect taxes, customs duties and penalties established under the Law of Customs, in case of unjustified deficiency or increase.

Article (111)

The Authority may, in case the project breaches the provisions of the Law, these Regulations, Labor System Regulations, license terms, or decisions issued by the Authority, suspend the project activity for a specified period or revoke the license issued for the project according to the gravity of violation, its conditions, and damages occurring to the local economy. This is if the project does not remedy the violation within the period specified by the Authority.

Article (112)

In case of cancelation of the approval issued thereto, the investor shall take the procedures for the activity liquidation and terminate the same. This shall be pursuant to the rules as specified by the Free Zones Labor System Regulations.

Article (113)

The licensee shall, upon joining any employee to work therefor in the Free Zone, issue a contract of employment of four copies, each party shall have one copy, a copy shall be lodged at the Free Zone Department, and another shall be lodged at the Labor Office of the Free Zone. If the contract is issued in a foreign language then each of these two copies shall have an Arabic translation attached therewith.

It should keep the criminal record and copy of personal ID (national ID card- passport) and submit the same to the Free Zone Department in order to obtain a permit for the worker to ingress the zone.

The licensee shall provide his staff with social insurance and furnish the competent office of the National Organization for Social Insurance with an application to cover an insured, enclosed with a copy of the employment contract. The National Organization for Social Insurance must be furnished with an annual list of the names of workers in the Free Zone projects, their wages, and dates of employment and termination.

Article (114)

The provisions of the Labor Law shall apply to the workers in the licensed establishments of the Free Zones concerning social and medical services required to protect them while on job. This shall be without prejudice to better benefits established by the systems of these establishments. The Free Zone Labor System Regulations shall determine the bylaws governing labor affairs of such projects, provided that they shall guarantee the following in particular:

- (a) Percentage of the Egyptian citizen workers to be no less than (80%) eighty percent of the project workers.
- (b) Determination of wage minimum to be no less than the wage minimum level applied outside the Free Zone inside Egypt.
- (c) Daily working hours and weekend provided that the working hours shall not be more than 48 hours per week.
- (d) Additional working hours and entitled wages thereof.
- (e) Social and medical services provided by the projects to their workers as well as the precautions required to protect them while working.

Article (115)

The Authority shall develop safety and security systems for individuals, projects, establishments, goods and commodities inside the Public Free Zones to maintain the same and prevent crimes as well as providing and maintaining the firefighting equipment.

Article (116)

The Authority or the competent Public Free Zone President, as applicable, shall issue the permits of ingress to Free Zones to:

- 1) Employers or their representative upon accepting the requests submitted thereby. They shall be issued for a period similar to the activity license specified period.
- 2) Workers of the projects and establishments licensed to practice their activities inside the Zone upon requests submitted by the employers. They shall be issued for one renewable year.
- 3) The Authority workers whose tasks require entering the Free Zone.
- 4) Persons whose entry to the Free Zone is temporarily and irregularly required pursuant to the Regulations issued by a resolution from the Authority.

Article (117)

The entrance or residence permits shall be revoked in any of the following cases:

- 1) Issuance of a judgment against the authorized in any smuggling or theft crime or any attempt thereof.
- 2) End of service or work of the authorized at the project or establishment it works for.
- 3) Expiration or suspension of the activity practiced by the authorized in the Free Zone.

Article (118)

The permit may be canceled in any of the following cases:

- 1) If the authorized attacks or resists any public man of authority or judicial officer or hinders the workers' tasks.
- 2) If the authorized breaches the provisions of the law, these Regulations or any Regulations, decisions or instructions issued by the Authority.

Article (119)

Whoever desires to conduct a profession or craft in the Public Free Zone permanently shall submit a request to the Free Zone Chairman.

The permit shall be issued against a fee at five thousand Pounds per annum.

The authorized shall, within the sixty days following the license issuance, submit to the Authority the commercial register or professional license number, as per conditions, and a copy of its tax card of the new activity in the Free Zone. The permit shall be waived if the foregoing is not submitted on the specified date.

Article (120)

The Authority Chief Executive Officer shall have the right to permit transmission of the projects existing under the Public Free Zones internal investment system pursuant to the terms and procedures as stipulated by the Authority Board of Directors, including:

- 1) That the project has conducted its activity under the Free Zones System at least for one year.
- 2) That the activity shall be conducted after transmission outside the geographical borders of the Free Zone, regarding the projects existing in the Public Free Zones.
- 3) Payment of all due amounts payable to the Authority and other government authorities for practicing the activity under the Free Zones Regime.

However, enterprises operating in the Special Free Zones can be transferred to operate under the internal investment regime pursuant to the two conditions 1 & 3, as well as other conditions and procedures set forth by the Authority's Board of Directors in this regard with respect of which a resolution is to be issued by the Council of Ministers based on the recommendation of the Competent Minister.

Section (V): Organization of the Investment Environment

Chapter (1): Entities In charge of the Investment Affairs

The General Authority for Investment and Free Zones

The Authority's Board of Directors

Article (121)

The Authority's Board of Directors shall meet at least once a month upon an invitation by its Chairman. The meeting shall not be valid unless it is attended by at least two thirds of the directors. The Board may be held, in part or in full, through a modern technological means, such as conference call and video conference, and in this case, the director shall send his/her opinion on the decisions made via electronic mail, using the e-signature technology, or any other means, within no later than 48 days from the meeting date. If the director fails to send his/her opinion within the prescribed period, this shall be deemed as consent by the director on the minutes of the meeting.

The Board of Directors may form one or more committees from among its members and charge it with a certain task.

The Chairman of the Board of Directors may invite to the sessions the experts he/she deems fit, at his/her discretion, whenever it is necessary, and they shall not have a vote on the decisions issued by the Board.

The Board shall issue its decisions with the majority of the attending directors. In case of tie vote, the Chairman shall have the casting vote. The Authority's Chief Executive Officer shall perform the Board's decisions.

Article (122)

The Authority's Board of Directors shall have a technical secretariat, consisting of a Chair and a sufficient number of the Authority's employees, who shall be joined and whose remuneration shall be determined by the Chairman of the Board of Directors' decision based on a proposal by the Authority's Chief Executive Officer.

The technical secretariat shall prepare the topics and agenda to be approved by the Chairman of the Board of Directors and send the invitations to the directors and the invitees, as the case may be. The technical secretariat shall further keep regular records of the minutes and decisions of the Board of Directors which are prepared for this purpose.

Article (123)

The Chairman of the Board of Directors shall present the meeting agenda for discussion and issue the decisions decided by the Board.

The Chairman of the Board of Directors shall have the right to present the topics he/she deems fit to the Board whenever any other business arises.

Without prejudice to the publicity of the Board's decisions, the discussions held among the directors shall be confidential and they may not be disclosed except with a special permission by the Chairman or the investigation or trial authorities.

The technical secretariat shall establish a comprehensive summary of such discussions, the number of votes thereon, and the decision issued thereon in the minutes of the meeting which must be signed by the Competent Minister.

If necessary, the Technical Secretariat may, subject to the consent of the Chairman of the Board of Directors, send a memorandum about the matter requiring a decision, including the justifications and grounds, to all the directors using any of the following means: (delivery by hand, by fax, or via e-mail). The directors shall express their opinion on this issue using the same means referred to above. The Board of Directors shall issue a decision on the case with the consent of all members provided that the Board of Directors shall be informed of the procedures taken in this regard in its first subsequent meeting.

Chief Executive Officer

Article (124)

The Authority's Chief Executive Officer, or whoever he authorizes, may serve a warning notice to the companies or establishments if they violate the provisions of the Investment Law referred to, to remove the reasons of the violation in no later than fifteen working days from the date of notice.

In the event of failure by the company or establishment to remove the violation within the period prescribed in the notice the Authority's Chief Executive Officer shall have the right, subject to the approval of the Authority's Board, to suspend their activity for a period not exceeding ninety days. The suspension decision shall include a reference to the procedures which have been taken. In the event the company or establishment continues the same violation or commits other violations within one year from the date of receiving the notice of the first violation, the Chief Executive Officer may take any of the following actions based on the seriousness and reoccurrence of the violation, subject to the approval of the Authority's Board:

- a- Suspend the incentives and exemptions granted.
- b- Shorten the period of the incentives and exemptions granted.
- c- Terminate the incentives and exemptions granted, including the impacts arising from such termination on the decisions and licenses issued for the company or establishment.
- d- Revoke the license for practicing the activity.

As to the violations which threaten public health, safety of the population, or national security, the Authority's Chief Executive Officer may, after notifying the Authority's Board of Directors, issue a decision suspending the activity for ninety days. In the event the company or establishment continues the same violation or commits another violation within one year from the date of the first violation, the Chief Executive Officer may revoke the license.

Article (125)

The Authority may outsource a company specialized in the promotion of investment opportunities to implement its plan in the area of promoting the available investment opportunities locally and abroad. The companies wishing to engage in such activity must have the form of "joint-stock company" and their activity must be restricted to the marketing and promotion of the development of the zones and attracting of investors.

A register shall be prepared in the Authority to register the companies specialized in this area and meet the controls and the financial and technical requirements for contracting that are determined by the Authority's Board of Directors' decision.

Article (126)

The companies shall submit an annual statement as from the fiscal year following the date of production/ activity commencement, including the following information:

- Volume of the company investment.
- Financial statements.
- Number of workers, their positions, nationalities and total wages.
- Capital as provided in the last budget and the investment cost.
- The company registered office and activity practice location.
- Nature of incentives granted to the company.
- Names of partners, shareholders of company owners.
- Commercial register and tax number.
- Statement of the system adopted by the company in the field of society development outside the investment project.
- Approved purpose and incentives granted purpose.

Chapter (2): Procedures of Subsequent Control, Inspection and Governance

Article (135)

The Authority shall control the execution of the provisions of the Law and its Executive Regulations. It shall, within the limits of its competence, investigate any complaints of the shareholders, partners or any concerned parties in relation to the execution of the provisions of the Investment Law, and the Joint-Stock Companies, Partnerships Limited by Shares and Limited Liability Companies Law.

It shall take any procedures it deems fit regarding any breaches it finds out pursuant to the legally established rules and procedures.

The Authority Chief Executive Office shall issue decisions related to facilitating procedures to investors and replacement of records and documents through electronic methods matching with the technological development and which achieve speed services provision thereto in all procedures to be taken thereto, in particular:

- 1) Set out controls and terms which shall facilitate all procedures related to the general associations and companies' board of directors and attest their minutes, this is in relation to the service performance time and documents required to perform the same, etc., as well as service performance electronic method upon activation in the Authority.
- 2) Develop, unify and facilitate capital reduction or increase procedures, financial estimation systems, and verification procedures, whether the values estimated therefor correctly, without prejudice to the competence legally established for the Financial Supervisory Authority.
- 3) Set the controls which ensure the separation of the investment procedures' organization from the subsequent control over companies.

The Authority's Board of Directors shall set out the controls and conditions related to the subsequent control and inspection procedures on companies of all legal forms without adherence to any procedures provided for in other laws.

Article (128)

The Authority shall set the rules which insure applications of governance principles and rules, obligations, guarantees and rights insured by the law to the companies in addition to the Authority's supervisory role.

A decision of the Authority's Board of Directors shall be issued from the rules, controls and systems which shall ensure the application of these principles.

Chapter (3): Grievances

Article (129)

One or more committees shall be created in the Authority to consider the complaints filed against the administrative decisions issued in accordance with the provisions of the Investment Law and these Regulations by the Authority or the Competent Administrative Authorities to grant approvals, permits, and licenses.

A committee shall be formed and chaired by an advisor from a judicial authority to be determined by the boards of such authorities. The Committee membership shall include a representative of the Authority and a person with experience.

A register shall be prepared in the Authority in order to register the experts in the various fields including an experienced member in the Grievance Committee and he shall be specialized in the field subject of complaint. A resolution of the Authority's Board of Director shall be issued to determine the controls and terms required to register such experts.

A decision shall be issued by the Competent Minister on the formation of the Committee and the system of its work.

Article (130)

Complaints shall be submitted to the Committee within 15 days from the date of notification or being aware of the appealed decision.

The Committee shall hold its sessions at least every fifteen days at the Authority's headquarters. In case any member of expertise abstains, a decision shall be issued from the Chief Executive Officer to appoint another expert from those next on the register prepared for this purpose.

The Committee may contact the parties in question and the competent administrative authorities to request for clarifications, documents and answers to the inquiries it sees necessary, and it may draw on the diverse expertise and specializations available to the Authority and to other administrative authorities.

The Committee shall issue its decision within 30 days from the date of hearing the parties and submission of their viewpoints. The decision shall briefly indicate the

reasons on which the committee decision is based. The Committee's decision shall be irrevocable and binding on all the competent authorities. The Committee technical secretariat shall notify the concerned parties with its decision and the reasons which it is based on by registered letter with acknowledgment of receipt. The elapse of the period referred thereto without taking the decision on the complaint shall be deemed as rejecting the same.

Article (131)

The Committee shall have a technical secretariat whose composition shall be determined by a decree issued by the Prime Minister. It shall include a sufficient number of full time officials and delegation may be conducted to the technical secretariat.

The technical secretariat shall receive the complaint requests on the form prepared therefor, register the same in the record allocated for this purpose of the date of being received. It shall also provide the complainant with a receipt of receiving the complaint with the register number and date. Furthermore, it shall assume the following, in particular:

- 1) Prepare the file of complaint and present the same to the Committee chairman upon receiving the same in order to specify a date to consider the same.
- 2) Inform the complainant of the session to consider the complaint thereof by any method of notification as provided in Article (7) of these Regulations sufficiently prior to the date of session in order to attend before the Committee in person or through the legal representative thereof.
- 3) Carry out the committee's secretariat functions and draft the minutes of its sessions.
- 4) Perform all administrative works related to the Committee's tasks, and prepare a database for all complaints submitted thereto and decisions issued thereon.
- 5) Notify the concerned party with an attested copy of the Committee decision on the complaints and reasons therefor.
- 6) Any other tasks assigned thereto by the Committee.

Article (132)

The complaint must include, in particular, the following information:

- 1) Name, capacity and address of the complainant.
- 2) Specifying the appealed decision, its date of issue, and date of being notified thereof.
- 3) Explanatory memorandum on the subject matter of the complaint, indicating the reasons thereof.
- 4) Documents supporting the Complaint.

- 5) Receipt proving the payment of the Committee service fees as determined by the Authority's Board of Directors.

Article (133)

The Authority shall provide an online template for complaints registration, provided that it shall include the date of complaint, subject matter of the complaint, appealed decision, name and capacity of complainant, date of the compliant hearing session, and its postponements. This template shall be linked to the Authority official website on the WWW network.