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## **8. Licensing and Permitting**

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## Egypt's Investment Promotion Program

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### 8.1. Business Licensing

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#### Forms of Companies and Their Legal Frameworks

**Overview** Many legal frameworks exist for companies under Egyptian law, e.g. sole proprietorship, simple partnership, partnership limited by share, Joint Stock Company and Limited Liability Company. Sole proprietorship is exclusive to Egyptians, while in a simple partnership foreigners can participate but cannot manage the company.

Form of Company	Foreign Participation	Foreign Management
Sole Proprietorship	Yes	Yes
Simple Partnership	Yes	Yes
Partnership Limited by Shares	Yes	Yes
Joint Stock Company	Yes	Yes
Limited Liability Company	Yes	Yes

However, the forms most associated with foreign companies seeking to establish a direct presence in Egypt by incorporating an Egyptian subsidiary (a locally incorporated entity) are the joint stock company and the limited liability company. (Other options include a representative liaison office or a branch office.)

#### Representative Offices

Foreign companies are permitted to establish representative liaison, scientific or technical offices, among others, to carry out market surveys or to study the feasibility of production. However, companies wishing to conduct feasibility studies of production are not obliged to establish a representative office if they do not carry out any commercial operations or commercial agency activities.

A representative office may be registered under either Company Law No. 159 of 1981 or the Commercial Agencies Law No. 120 of 1982; in either case, the registration will be with the General Authority for Investment and Free Zones (GAFI). To register, the company must submit an application detailing the name, nationality, company objectives, capital, head office abroad, nature of office to be established in Egypt, its activities and address in Egypt, and certain information relating to the manager.

The application must include the company's constitutive documents and resolution of the board of directors of the company, which must be certified (legalized) at an Egyptian consulate. A certified Arabic translation of these documents is also required.

In certain cases, such offices must be registered pursuant to the Commercial Agencies Law. For instance, if a foreign company is required by a government authority to have a service facility for its products in Egypt, it must appoint a commercial agent and it may register its representative office under this law instead of the Company Relations Law. However, such registration will lapse immediately if the company ceases to have a commercial agent.

These offices may not carry out any taxable activities, such as invoicing for services rendered or trading in the company's product(s). Their employees, however, will be subject to the salary tax regardless of nationality. In case of Egyptian employees, social insurance contributions will be due and payable by both the employers and the employees. Foreign employees working for a representative office must obtain work and residence permits.

#### **Scientific Offices**

To register a scientific office for a pharmaceutical company, the company must address a letter to the Pharmaceutical Authority at the Ministry of Health requesting its approval for the establishment of a scientific office in the name of the company. The letter should include:

- The name of the individual who will carry out the procedures to establish the scientific office and the name of the office manager who must be either a physician or pharmacist.
- The name of at least three pharmaceutical products registered in Egypt. If the company has not registered any pharmaceutical products, the letter should include a description of the pharmaceutical products, the name of the individual who will register them, and a list of all the pharmaceutical products of the company.

The manager must submit plans of the proposed office premises to the Pharmaceutical Authority, which will then inspect the premises. The matter is then referred to the Ministry of Health, which will issue a ministerial decree authorizing the establishment of the scientific office. If the company wishing to establish the scientific office has licensed its products to a company in Egypt, part of the license fee has to be paid in Egyptian pounds to cover the local expenses of the scientific office. All employees of a scientific office, including the manager, must be Egyptian.

## Branch Offices

A foreign company may register a branch office in Egypt, provided that the foreign company has a contract (with either the private or public sector) to perform work in Egypt. Although a branch office can engage in commercial, financial, industrial and contractual activities, the activities that the branch will carry out will be limited to those stated in its contract in Egypt.

To establish a branch office, the approvals of the Minister of Trade, the General Authority for Investment and Free Zones, the Minister supervising the relevant field of activity of the branch and the Investment Authority must be obtained. A branch office must also be registered in the Commercial Registry and with the Companies Department. The registration application must be accompanied by the following documents:

- The Articles of Incorporation of the company.
- An audited balance sheet for the most recent fiscal year.
- The corporate resolution(s) authorizing the establishment of the Egyptian branch, appointing its manager and allocating the necessary capital for its operations.
- A copy of the contract it has signed concerning its activities in Egypt.

The branch must also be registered with GAFI. The registration is valid for five years. The branch must comply with Egyptian law, including laws governing companies, taxation, labor, social insurance and foreign exchange. In particular, it must have an Egyptian auditor. Furthermore, the following must be submitted to the Companies Department annually:

- A copy of the balance sheet, and the profit and loss statement audited by an Egyptian auditor.
- The names and nationalities of the managers.
- The details of all personnel and salaries paid to the Egyptian employees.
- The details of profits and the proportion of those profits allocated to employees.

The branch may not employ foreigners in excess of 10 per cent of its workforce (excluding foreigners employed as managers) or pay them more than 20 per cent of the total payroll. Employees will be subject to salary tax, and the branch must take the appropriate monthly withholdings in respect thereof. In the case of Egyptian employees, social insurance contributions will be due and payable by both the employers and the employees. Foreign employees working for the branch must have obtained work and residence permits, prior to starting work in Egypt. The branch must distribute at least 10 per cent of its net profits to its employees, up to a maximum of the total annual payroll.

Under Egyptian foreign exchange laws, to meet its local expenditures in Egyptian pounds, the branch must exchange foreign currency through the Egyptian Banking System. The branch must keep financial books and records and submit audited tax returns annually.

**Locally  
Incorporated  
Entities**

There are various forms of business organization used by the Egyptian private sector. However, the forms most commonly used by foreign investors are joint stock companies and limited liability companies.

**1. Joint Stock Company**

In general, the rules and regulations governing joint stock companies are more comprehensive than those for limited liability companies, especially in the case of joint stock companies offering shares to the public (which are subject to additional regulation).

*Constitutive  
Documents*

The constitutive documents of the company, such as the Articles of Association and Statutes (Model articles and statutes have been issued by Ministerial Decrees for Law No. 159 on Companies and Investment Law Companies).

- A certificate from an authorized bank to the effect that the required capital has been deposited in a blocked account. This capital is then released upon the company's formation.
- A receipt for payment in settlement of incorporation fees, which represent 0.1 per cent of the company's issued capital (with a minimum of 100 EGP and a maximum of 1,000 EGP).

An additional document indicating the Cabinet's approval is required in connection with companies engaging in the fields of satellites, newspapers, remote sensing systems and private associations.

Upon the submission of these documents and notification to the Company Relations Department, a fast-track system ensures that a certificate is issued to confirm that all the documentation is complete and has been received. Once the company has this certificate, it is automatically registered in the Commercial Registry and acquires its legal status upon the lapse of 15 days from the registration date. The Company Relations Department has 10 days from the date it was originally notified of the company's formation to object on one of the following grounds:

- The articles and statutes deviate from the models with respect to mandatory requirements, or violate any law.
- The purposes of the company violate any law or public order.
- One of the founders is not qualified under the law.

If the company does not rectify the grounds for the Company Relations Department's objection within 15 days of receipt of notification of objection, the company will be struck off the Commercial Register. The objection is deemed to have been waived if the company does not receive any comments on the rectification steps it has undertaken within 15 days of the receipt by the Company Relations Department of the company's response, stating the rectification steps taken by it. Finally to acquire full legal status, the company's articles and statutes must be published in accordance with the Executive Regulations in the relevant government bulletin.

The minimum share capital for a joint stock company whose shares are not open to public subscription is 250,000 EGP. If the shares are offered to the public, it is 500,000 EGP.

A joint stock company is allowed to raise its issued capital up to its authorized capital by way of an extraordinary general assembly resolution without the requirement of having the issued capital fully paid. The old rule governing the board of directors' authority to increase the issued capital within the limits of the authorized capital is still valid, provided the issued capital is fully paid.

<i>Value of shares</i>	The nominal value of shares must not be more than 1,000 EGP and not less than 1 EGP. Preferred shares may be issued. Previously, bearer shares were not permitted and all types of shares had to be registered (nominal). However, the Capital Market Law authorized the issuing of bearer shares, subject to some restrictions. Bearer shares carry no vote in the general meetings and may not exceed 25 per cent of the issued and outstanding shares of the company. Moreover, the full nominal value of the bearer shares must be paid up in full at the time of incorporation. Share certificates are issued to each shareholder.
<i>Number of shareholders</i>	There must be a minimum of three founding shareholders (founding shareholders may be natural persons or legal entities). There is no maximum limit to the number of shareholders. However, if the number reaches 100, the company would be considered to have offered shares to the public.
<i>Purpose</i>	Generally, there are no restrictions on a joint stock company's intended commercial purposes, provided they do not conflict with public policy or public morality. However, for joint stock companies established under the Investment Law, the purposes must be within those listed in the Investment Law, or such other as provided by the Cabinet of Ministers, to benefit from the incentives and guarantees granted under the law.
<i>Name</i>	The name of the company should indicate the activity or objects of the company. It must not include the name of any of the shareholders, unless such name is a registered trade name.

<i>Debentures</i>	Negotiable debentures or bonds may be issued by a joint stock company. They must be of equal value and have equal rights with respect to each security of the same series. Debentures convertible into shares may also be issued. Existing shareholders will then have priority rights to subscribe to these debentures. Debentures may be issued to the public.
<i>Transfer of Shares</i>	Founding shares and shares issued for contribution in kind may not be transferred (except to other founders) before the publication of the financial statements of the first two full fiscal years. The Chairman of GAFI or his/her nominee can waive the above restriction for joint stock companies established under the Investment Law. Apart from this restriction, there are no restrictions on the transfer of shares unless specified in the statutes of the company.
<i>Management</i>	A joint stock company is managed by a board of directors whose members may not be less than three in number, and whose number must at all times be an odd one (except in the companies established under the Investment Law where an even number of shareholders is allowed). There are no nationality requirements or restrictions for board members.
<i>Profits</i>	<p>The company's after-tax earning in each fiscal year- be it increased or reduced, as the case may be, by any profit or loss of the company carried forward from prior years- is available for distribution in accordance with the requirements of Egyptian law and the company's statutes as follows:</p> <ul style="list-style-type: none"> <li>▪ The company is legally required to establish and maintain a legal reserve equal to at least five per cent of the paid-in capital. If, at the end of a fiscal year, the legal reserve is less than five per cent of the paid-in capital, an amount equal to at least five per cent of after-tax earnings, if any, of the same fiscal year, must be allocated to the legal reserve.</li> <li>▪ After funding the legal reserve, if required as described above, the balance of after-tax earnings, after deduction of the legal reserve distributable profits, may be distributed pursuant to a shareholders' resolution in a general shareholders' meeting.</li> <li>▪ The company is legally required to allocate to the employees an amount (the "employee bonus") equal to a minimum of 10 per cent of the distributable profits and a maximum of the aggregate annual salaries. If the 10 per cent of the distributable profits is higher than the aggregate annual basic salaries, the 10 per cent may be paid in cash to the employees and any remainder, if any, will be allocated to a special account for employees and to provide services for their benefit pursuant to the determination of the board of directors, in accordance with Article 196 of the Executive Regulations of the Company Relations Law.</li> <li>▪ The distributable profits shall be distributed in order of priority as follows: An initial amount equal to a minimum of five per cent of the distributable profits to be distributed to the shareholders as dividends and to the employees as part of the employee bonus; an amount equal to no more than 10 per cent of the distributable profits may be paid to members of the board of directors as remuneration; the balance of the distributable profits may be paid to the shareholders as additional</li> </ul>

dividends and to the employees as an additional payment on account of the employee bonus carried forward to the following year as retained earnings or allocated to fund a special reserve to be used as determined by a general shareholders' meeting, upon the recommendation of the board of directors.

Payment of dividends is made to the shareowner, based on a statement of account from a registered bookkeeper, if the shares are deposited with the Central Depository, or by surrender of coupons attached to share certificates if the company has physical shares, as the case may be. Dividends not claimed within five years of the date of payment become barred by the statute limitations and are paid to the state treasury. Shareholders may decide at an ordinary general meeting to distribute all or part of the dividends included in the financial statements of the company, accompanied by a report from the company's auditor.

*Stock Exchange  
Registration*

Stock exchange registration is obligatory within one year of formation in the case of a company offering its shares to the public. Otherwise, it is obligatory after the third year's published accounts.

**2. Limited Liability Company**

*Constitutive  
documents*

A limited liability company's constitutive documents are its statutes. Model statutes have been issued by Ministerial Decree for Law No. 159 companies and for Investment Law companies.

*Share capital*

There is no minimum capital required for setting-up a limited liability company

*Number of  
shareholders*

A minimum of two founding shareholders is required and a maximum of 50 shareholders is permitted (shareholders may be natural persons or legal entities). It is not permitted to offer shares in limited liability companies to the public.

*Purpose*

A limited liability company may not engage in insurance, banking, savings, deposit taking, investment of funds, securities brokerage, or portfolio management activities.

*Name*

The name of the limited liability company should refer to its activities and may include the name of one or more of its shareholders.

*Debentures  
Transfer of Shares*

Debentures may not be issued by limited liability companies.

Shareholders wishing to transfer their shares to third parties must first offer them to existing shareholders, who have a period of one month within which to purchase the shares on a pro rata basis. (The statutes may prohibit any transfer of shares unless approved by the other shareholders.)



*Management* Limited liability companies are managed by one or more managers, of which at least one must be Egyptian. There must also be a supervisory council if there are more than 10 shareholders. There is no requirement or restriction that employees participate in management.

*Profits* Profits are required to be distributed to employees of a limited liability company when the capital of the company reaches 250,000 EGP. Then the rules governing such distributions are the same as those that apply to a joint stock company.

## **Other Forms of Companies**

### **1. Sole Proprietorship**

A sole proprietor (or sole trader) is a natural person who engages in a commercial activity for his or her own account.

*Formation* To be licensed as a sole proprietor, the person should apply to the competent Commercial Registration Office for registration in the Commercial Register. The particular requirements for registering sole proprietorship companies are:

- The applicant should be at least 21 years old.
- The applicant should be of Egyptian nationality unless he or she will carry out his or her activity under the Investment Law, or will engage in exporting activity.
- The applicant should use his or her own name as a trade name. This trade name should appear on his or her business firm or shop and its branches (if any), and in all his or her business correspondence.
- The applicant should provide the Commercial Registration Office with other relevant important data, such as the nature of his or her trade or business, the trade capital (no minimum capital is required), the addresses of the main firm, shop or branches (if any) and details of trademarks or copyrights (if any).

*Financial Requirements* The Law of Commerce requires the sole proprietor whose trade capital is EGP 20,000 or more to keep proper accounting books. The annual profit (taxable profit) of the sole proprietor, together with any other taxable incomes he/she may have from other sources, shall be subject to the income tax.

### **2. Simple Partnerships**

*Formation* The partnership is a kind of a business firm formed between two or more partners who are usually natural persons. There are two kinds of partnerships: the general partnership and the limited partnership. In the general partnership, all the partners are considered as traders, and are jointly responsible to fully meet all the business liabilities or obligations. This means that if the partnership fund cannot meet its liabilities, creditors can recover their debts from the partners' private properties. The general partnership should have a trade name derived from the name(s) of one or more of its partners.

After concluding the partnership agreement, the following is required to complete registration:

- A copy of the partnership deed is published at the Court of First Instance where the partnership head office is located.
- The partnership deed is published in two daily newspapers of wide circulation.
- The partnership deed is registered in the Commercial Register. (Please refer to commercial registration requirements under the sole proprietor section.)
- After completing the above registration, the partnership can start its commercial activity.

#### *Management*

In the limited partnership, at least one of the partners is a general partner who is active and is considered a trader with full responsibility to meet the partnership's liabilities or obligations without any limits. Other partners, who are called limited partners, are inactive or "sleeping" partners, and their liability in meeting the business liabilities or obligations is limited by the amount of capital they have invested in the partnership. The trade name of the limited partnership is derived from the name(s) of one or more of its general partners. Foreigners can participate in partnerships and their share in its capital cannot exceed 49 per cent.

There is no minimum capital required in simple partnerships. Regarding taxation, the general and limited partnerships are subject to the same tax provisions. The profit of the partnership itself as a legal entity is not taxable, but the share of each partner (general or limited) in this profit, together with any other taxable incomes he/she may have, is subjected, separately from other partners, to the unified income tax. Each partner of a partnership is required to enroll himself or herself in the state's social insurance system as a self-employed person.

Registration of a partnership requires concluding an agreement (the deed) between the partners, determining the partnership capital and the share of each partner (general or limited), the object (activity) of the partnership, its duration and the appropriation of its profits or losses, etc.

### **3. Limited Partnerships by Shares**

#### *Formation*

The limited partnership by shares is similar to the joint stock company with the exception that at least one of the founders has unlimited liability in meeting the company's financial liabilities. The company is prohibited from conducting the business of insurance, banking, or savings or investing funds on other people's behalf.

### *Management*

The company is managed by the founder(s) of unlimited liability without any direct participation from the other founders or ordinary shareholders of limited liability. The founder(s) of unlimited liability who is managing the company is called the "manager," but his or her legal status is similar to the director of the joint stock company and the provisions applicable to these directors apply as well to the managers of limited partnerships by shares. The name and scope of such partner manager's authority must be specified in the Memorandum of Association.

The company must have a supervisory board made up of at least three persons, whose purpose is to supervise the actions of the manager(s). As such, this supervisory board may not be chosen from the partner manager(s).

Thus, each manager should allocate part of his or her shares of no less than EGP 5,000 for good management, and these shares should be deposited at one of the accredited banks in Egypt, and cannot be disposed of as long as the unlimited founder is a manager of the company. The remuneration of the manager (excluding the dividends on his or her shares) after certain deductions or reliefs is subject to salary tax at the same rate as applicable to sole proprietors.

In the limited partnership by shares, there should be a supervisory board composed of at least three shareholders, or outsiders who are chosen by the shareholders. The supervisory board will monitor the actions of the manager(s) in running the company. In this respect, the supervisory board will have the right to ask the manager(s) to provide it with management reports, and it can review the company's accounting records, and count the cash, inventories and other company assets. The supervisory board will also give opinion regarding matters that the manager(s) may seek the board's opinion on.

In addition, the general meeting of shareholders cannot amend the company's deed without the approval of the manager(s), unless the deed stipulates differently. In case of the manager's death, the company will dissolve, unless the company deed stipulates that it will continue.

### *Financial Requirements*

Apart from the above differences, the provisions related to joint stock companies will apply to limited partnerships by shares.

The minimum share capital required of a limited partnership by shares is EGP 250,000. The capital is divided into two categories: shares owned by founder partners, and shares of equal value belonging to shareholders. The founder partners have unlimited liability, while the shareholders' liability is limited to the value of their respective shares.

## General Procedures and Costs for Establishing a Company<sup>1</sup>

- Procedures**
- Notification is made to the administrative authority, the General Authority for Investment and Free Zones (GAFI), that the company to be established complies with the 16 sections of the Investment Law, or the additional sectors covered under the 20 amendments made to the Law in April 2000, or alternatively the Company Law.
  - GAFI provides an incorporation package containing all the necessary contracts, statistical and power-of-attorney forms. The investor must provide the following detailed information: the names of the contracting parties; the legal structure of the company; the company name; the subject of its activities; the company's duration; its capital; the percentage of Egyptian and non-Egyptian participation; the methods of subscription thereto; and the partner's obligations and equity. The articles of incorporation of the company and its statutes are submitted to GAFI after an official copy has been taken to the state notary and stamped, upon the signature of the shareholders.
  - The investor must also submit a bank certificate proving that 10 per cent of the proposed company's issued capital has been deposited.
  - GAFI then verifies the articles of incorporation, following a security check of the shareholders and payment of the authentication fee of 0.25 per cent of the project's capital up to EGP 5,000 or its equivalent in foreign currency. This fee is charged by the notary but processed by GAFI. Companies then announce their establishment in the Investment Gazette.
  - GAFI subsequently allocates land owned by state or public enterprises to the project and will obtain the necessary licenses from the relevant state agencies on behalf of the investor—such as, industrial clearance from the General Organization for Industrialization (GOFI), an establishment and operation license from the local authorities and work permits for foreign employees. GAFI also stamps the pro-forma invoice for customs clearance (machinery, equipment and instruments imported for Law 8 investment projects are subject to a flat 5 per cent tariff).
  - A tax card must be obtained from the Tax Authority (which will also have a representative available at GAFI's One-Stop-Shop).

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<sup>1</sup> For companies established under the "Investment Law" No.8 of 1997 or the "Companies Relations Law" No.3 of 1997; in both cases GAFI will be the sole governmental body responsible for all approvals and licenses.

**Table 8.1 (a): Necessary Costs to Establish and Register a Company with GAFI<sup>1</sup>**

Type of Fee	Authority	Amount in EGP
Authentication fee of the Lawyers' Syndicate	Lawyers' Syndicate (Salah Salem St.)	Five per thousand (0.005) of the issued capital with a maximum of EGP 5,000 + EGP 20 Lawyer's stamp
Notarization fee	Public Notary (Salah Salem St.)	Quarter per cent (0.0025) of the issued capital with a maximum of EGP 500
Commercial Registry fees	Commercial Registration Office (Salah Salem St.)	Sole proprietorships: EGP 40 Joint stock company: EGP 86.5 Partnership company: EGP 94.5 Partnerships with foreign partners: EGP 106.5
Fees for publishing in the Investment Gazette	The Legal Department of the Authority (Salah Salem St.)	Sole proprietorships: EGP 200 Joint stock company in Arabic: EGP 2,000 Joint stock company in Arabic & English: EGP 4,000 Partnership company in Arabic: EGP 400 Partnership in Arabic & English : EGP 800
Tax license fees	The Investment Tax Department (5A, 26 July St., Cairo)	Sole proprietorships: Exempted Partnership Company: EGP 90 Joint Stock Company - Partnership limited by share: EGP 900 - Limited liability company: EGP 900 - Corporations: EGP 1,800
Fees for issuing shares (joint stock and partnerships limited by share)	The General Authority for Capital Market (Salah Salem St.)	Half per thousand of the issued capital (0.0005) with a maximum of EGP 10,000
Fees for evaluating a corporeal share for inland investment companies	The General Authority for Investment and Free Zones (Salah Salem St.)	Two per thousand (0.002) of the value of the corporeal share with a minimum of EGP 5,000 and a maximum of EGP 10,000

<sup>1</sup> As provided by the procedures guide available at GAFI's One-Stop-Shop.

## Franchising, Mergers and Acquisitions

**Overview** Other options available to a foreign company are: franchising (licensing) or merging and acquiring an already existing Egyptian company.

**Franchising** A franchise is an agreement by which the owner of an intellectual right, a potential property, or a brand product (the "franchisor") gives another person (the "franchisee") the exclusive right to use or exploit this intellectual right or property, or to produce or just sell the brand product within a designated area for a remuneration (commonly called a license fee or a royalty).

The license fee or royalty can take the form of a fixed amount of money payable by the franchisee to the franchisor for using the franchise right during a specific period of time, or it can take the form of a percentage of the turnover or sales realized by the franchisee during a specific period of time, or it may combine between these two forms of remuneration.

The practice gives foreign companies access to the large local market without making a major commitment in capital or personnel. In addition, Egypt's many donor-funded projects often give a clear preference in purchasing to foreign companies working in Egypt, whether directly or under license.

Licensing agreements are especially common in garment production and retailing, the production of consumer goods, household and healthcare goods, pharmaceuticals, fast food, financial and courier services as well as local retailing of petroleum products. Notable successes have also been seen in the brewing industry. The government is trying also to encourage licensing by high-tech companies.

Licensing agreements involving trademarks and technical know-how other than "trade secrets" are no longer subject to official approval. Thus, fast-food franchises can be set up relatively easily if suitable local partners are found. However, technology licensing that does not involve investment in Egypt by a foreigner but does involve use of "process secrets" for manufacturing in Egypt, must be approved by the General Organisation for Industrialisation (GOFI).<sup>1</sup>

**Mergers and Acquisitions** Mergers can involve joint stock companies, limited partnerships, partnerships limited by shares, limited liability companies and general partnerships. Foreign companies are allowed to merge with Egyptian ones.

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<sup>1</sup> Licensing is governed by the New Commercial Code (Law 17/1999).

The new Unified Labor Law states that new owners must continue to employ workers already at the company. If the curtailment of a company's operations as the result of a merger is deemed to affect the size of the workforce, authorization is required from a special committee (the Stoppage Committee) in the Ministry of Manpower and Immigration. This requires companies to request a special committee before "stopping their business wholly or partially, and before introducing any change in the volume of the establishment or its activity in a way affecting the volume of labor." The committee is to be chaired by a labour ministry official, with members from the social insurance authority, the investment authority and Egyptian Trade Union Federation (a company representative is allowed to attend in a non-voting capacity).<sup>1</sup>

Dissenting shareholders are allowed to request payment of the value of their shares. Acquisitions involving more than 10 per cent of the nominal shares of a public company have to be notified to the company at least two weeks in advance, after which the company has to advise each shareholder with a holding of 1per cent and over. If the acquirer is a board member or a company employee, there must be notification of all transactions involving 5 per cent of capital or over.

**References:**

- Investor's Step-by-Step Guide provided by GAFI's One-Stop-Shop.
- Helmy & Hamza (Baker & McKenzie), Doing Business in Egypt: Legal Aspects , GAFI, May 2000 Edition.
- The Economist Intelligence Unit, Country Commerce: Egypt, July 2004.
- American Chamber of Commerce in Egypt: <http://www.amcham.org.eg/>

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<sup>1</sup> Prime Ministerial Decree 984/2003, which forms part of the executive regulations of the new Unified Labor Law, 12/2003.