

Arab Republic of Egypt

New Investment law

The main features included in the New Investment Law, which ensures enforceability of the law to ease doing business in Egypt

- The law has been finally approved by the people's assembly and decreed, is set to be the benchmark for the following three main pillars it is based on:
 - ✓ Facilitating procedures for doing business and finalizing investment disputes.
 - ✓ Strengthening the guarantees and addressing the deficiencies in the current law.
 - ✓ Introducing a temporary incentive program to attract immediate investments.

Guarantees

It was mainly issued to offer new guarantees to investors, which are mainly concluded as follow:

- ✓ Protecting the project from nationalization, guardianship and seizure.
- ✓ Free pricing of products.
- ✓ Protection of the project from the arbitrary decisions.
- ✓ The right of the investor in establishing project and expansion.
- ✓ The right in transferring the profit, dividends and liquidation output.
- ✓ Regulate the use of the foreign employees .
- ✓ The right of obtaining data & information.

Incentives

Moreover, the New Investment Law has introduced a special incentive program for investors, based on the government development plan 2030 and GoE investment map, offering:

- ✓ Tax redemption by 50% to geographical region (A) and 30% to geographical region (B) of the total investment costs over 7 years, with a limit amounted to no more than 80% of the fresh paid-in capital, in labor intensive projects, SMEs projects, special touristic projects, renewable energy and electricity production, and strategic industry projects (pharmaceutical industry, agricultural and food industries, automotive and its feeding industries, furniture and wooden industries, engineering and metallurgical industries, textiles and leather industries, etc.), where region (A) represents the areas which are more in need of development as well as designated projects in SEC zone and the newly introduced Technological Zones, while region (B) represents the remaining areas in Egypt.
- ✓ New system for investment in Technological hubs which shall grant 50% tax redemption in coordination with The Ministry of CIT.
- ✓ The right of employing up to 20% foreign labor of total number of labor working in the project.

The Key features the law is offering

- The adoption of only full automated/electronic incorporation procedures.
 - ✓ The Replacement of “One Stop Shop” to be “Investors’ Services Center”, where various services are offered to investors and GAFI staff will receive requests from investors including Grievances requests & forward them to the Representative of the Governmental Authorities at the Center.
 - ✓ The new law Introduced "Ratification Offices" to facilitate obtaining necessary approvals, permits and licenses within 10 days of issuing a Ratification Certificate. The investor may fulfill the technical requirements of obtaining the required licenses through (1) Ratification Offices or (2) directly through the concerned authority or (3) its representatives in the Investment Window at GAFI. After submission of all necessary documents, the concerned authority must decide either to approve or decline the Licenses request within 60 days maximum, otherwise it will be considered as an approval and an official licenses is to be issued by GAFI's CEO.
 - ✓ As for the Land Allocation; the new law committed the administrative authorities to provide GAFI with all lands available for investment in order to be promoted through the Investment Window, and to be updated every six months. In addition to, introducing new authorities for lands pricing as well as setting new standards for pricing and committing these authorities to finalize the pricing process in 30 days maximum.
 - ✓ Also, the new law introduced a new concept called "Golden Licenses" which is a single licensing process by which strategic mega projects will be granted all licenses, permits & requests directly from the Cabinet of Ministers.
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- Concurrently, the government views the private sector as the key driver of economic growth, with private sector-led investment and technology expected to play a critical role in increasing the Egyptian economy’s level of competitiveness.
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- In this regard and in order to more boosting the economy and easing the business environment, that already Egypt **has surged up by nine spots to rank at number 122 out of 190 countries in 2017, but as long as GoE is targeting more**, the new Supreme Investment Council was established, *chaired by the state president to:*
 - ✓ *Design policies and determine future trends and plan for investment, according to the state's development 2030 vision.*
 - ✓ *Develop legislative framework to ease investment climate*
 - ✓ *Monitoring GAFI and the implementation of its investment promotional plan and its efficiency.*
 - ✓ *Prioritizing the economic activities and sectors in the Egyptian investment market.*

It has approved pivotal resolutions; including a number of tax exemptions and incentives and offering free or discounted land in a bid to attract investors amid economic and political instability, and SMEs incentives.
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- In addition, the ministry of investment and GAFI are working cooperatively to carry out the following procedures:
 - ✓ *Implementing the new investment plan that fulfills the sustainable development Egypt's 2030 vision.*
 - ✓ *Modifying the geographical-sectoral investment map and announcing new investment opportunities that are still untapped across Egypt governorates.*

- ✓ Streamlining all doing business procedures and implementing full automation of companies establishment, including the completion of electronic registration and
- ✓ Settling investment disputes.
- ✓ Establishing call center for investors.
- ✓ Establishing new investment zones.
- ✓ Extending hours for the investor's service center.
- ✓ Initiating new tools for financing projects; such as:
 - Establishing public fund;
 - Studying the issuance of commodity exchange in collaboration with the ministry of supply and internal trade;
 - Accessing SMEs to equity capital and enhancing the micro-finance;
 - Selling of non-core investments held by Banque Misr, National Bank of Egypt, and Egyptian oil companies. IPOs program benefits are concluded to widen the ownership base and improve the stock market liquidity.

Investment Map

- **At Last, Egypt is a Global Hub for Business and Investments:**

- ✓ In this regard, GoE is concerned with *developing the geographical-sectoral investment map, which includes a huge bundle of readily available business opportunities, covering a wide range of sectors; including various manufacturing, agricultural, and services industries, in order to mobilize private investments in all Egypt's governorates, produce value chains and create new communities integrated with the economic fundamentals of the surrounding environment.*
- ✓ The governmental authorities shall provide GAFI with detailed maps of the plots available according to the various investment activities.
- ✓ These opportunities are available in different business scales; i.e., medium and mega (as Suez Canal Corridor, Golden Triangle, Demietta furniture city, Demietta logistics hub, new capital administrative city, new Alamiya city, Al Galalah global city, 1.5 million feddans), using usufruct or renting as methods of land allocation. All these opportunities will be announced in detail and showcased on the investment map very soon.

Suggested Governmental Entities & Business Communities

Name of the Entity	Contact Details
Egyptian Commercial Services (Ministry of Commerce & Trade-Egypt) in New Delhi	Commercial Office-Embassy of the Arab Republic of Egypt 1/50M, Niti Marg Chanakyapuri-110021 New Delhi Tel: +91-11-26873818 Fax: +91-11-26885922 Email: newdelhi@ecs.gov.eg
The Federation of	MOHAMED ZAKI EL SWEEDY -Chairman of the Egyptian

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