



Your Business creation guidelines in Egypt





You Business creation guidelines in Egypt

1. Introduction

The guide to establishing partnerships and companies contains the trade and investment laws specific to the country, and the steps for establishing companies in its three stages (planning, preparation and incorporation) with defining the legal structure for a number of types of companies as well as a list of all necessary procedures, relevant documents and official bodies.

1.1 Laws Governing Investment in Egypt

Any company established in Egypt, whether local or foreign, is subject to the provisions of the Companies Law No. 159 of 1981 and its amendments, or the provisions of Investment Law No. 72 of 2017. If the companies are listed on the stock exchange, they are subject to the Capital Market Law No. 95 of 1992. As for the establishment of a company in the fields of food industries, clothing and textiles, communications and information technology; they are subject to the new Investment Law No. 72 of 2017. The following figure shows the laws governing investment in Egypt:

1- Trade Law No. (17) of the year 1999 and the Companies Chapter of the Law of the year 1883:



TradeLawNumber17 year1999.pdf

2- Capital Companies Law No. 159 of 1981 and its amendments under Law 4 of the year 2018



159_12.pdf

3- Law 72 of the year 2017:



Law 72 of the year 2017.pdf

4- Capital Market Law No. 95 of the year 1992:



Capital Market Law N 95 of the year 1992.pd

5- Law 152 of the year 2020 regarding the establishment of small and medium enterprises:



Law of small and medium enterprises.p



2. The stages of establishing a company

2.1 First Phase (Planning)

Project planning is one of the most important stages, as it is a tool for building a preconception about the project, and visualizing the expected risks that the project may face when being implemented, and what are the mechanisms needed to address these expected problems. Therefore, the success of project planning is related to the ability and experience of those in charge of planning and their experience in predicting the problems and difficulties that the project may face in stage of its implementation.

2.1.1 Determining the legal structure of the company

1- Trade Law No. (17) of 1999 and the Companies Chapter of the Law of 1883:

Trade Law No. (17) was promulgated in 1999. The law provided for the repeal of the Trade Law issued in 1883, with the exception of the section related to partnership companies, which is the law promulgated in 1883 and which governs the procedures for establishing partnership companies.



2- Financial Companies Law No. 159 of 1981 and its amendments under Law 4 of 2018 (Financial Companies)

Companies Law No. (159) of 1981 governs the terms set for the incorporation and establishment of financial companies (shareholding Company, limited Company and limited joint-stock Company etc.).

The Companies Law No. 159 of 1981 is the general legislation for establishing companies in Egypt. This law provides for all corporate governance rules and regulations. It regulates management and matters related to control, fiduciary duties, and financial policies; It also sets forth the conditions for organizing the operation of companies such as meetings of the board of directors, ordinary and extraordinary general assemblies



3- Law 72 of the year 2017:





2.1.1.1 Types of commercial companies in Jordan

Characteristics of companies

	 According to Articles 10 and 11 of Trade Law No. 17 of 1999 The company is in the name of one person who has full rights and has all obligations A sole proprietorship does not need a memorandum of association for a sole proprietorship company, meaning that the official paper is in the name of one person, and the person shall be over 21 years old. 			
Sole Proprietorship	Positive Aspects	Negative Aspects		
(Individual)	 No complicated procedures required Provides a number of legal privileges Suitable for establishing small companies and its establishment fees are simple. The owner bears all the burdens alo Difficulty for obtaining large amount of loans or financing The legal responsibility extends to personal funds, and there is no separation between your financial liability and the company's financial liability. 			
	According to Article (4) bis of Law (4) of 2018 • The company is in the name of one person who has full rights and has all obligations and the right to appoint a manager. • The minimum capital is 50 thousand Egyptian pounds, which shall be deposited in the bank			
One person company	Positive Aspects Negative Aspects			
(Fund)	permanent ownership Ease of getting a loan from banks Transferability of shares Tax and savings flexibility	High establishing costs The burden of compliance with a one- person company		

	Article 20 of the Commercial Code Number of partners from 2-5 All partners are joint in rights and join	-5		
Partnership Company	Positive Aspects Negative Aspects			
(persons)	Easy proceduresIts ability to generate profitsPeople trust these companies	 The problems involve all partners The occurrence of some disagreements and conflicts destabilize management 		



Egyptian joint stock company (Financial)

Article 2 of Law 159 of the year 1981

The number of founders in joint stock companies shall not be less than three - and as a general principle, their issued capital shall not be less than 250 thousand Egyptian pounds, of which 10% shall be paid upon incorporation and 25% shall be completed.

There is a general assembly made up of the shareholders in the company and it has no obligations, and the board of directors is responsible for managing the company, and bears all the obligations

Positive Aspects

- The ability to increase the capital through public subscription whenever the General Assembly so decides.
- It enjoys a wide reputation, which enables it to obtain loans and credit easily.
- The ability to use experts even if their wages are high.
- Giving the opportunity to apply the principle of specialization and division of labor in all aspects of its activities.

Negative Aspects

- The company incurs large expenses upon incorporation until it is formed and its activities are carried on.
- Interruption of the relationship between shareholders and the company's management due to the separation between ownership and management.
- The conversion of the company's activity takes a long time and many procedures.

2.1.1.2 Startups in Jordan

The term startup company refers to a project launched by entrepreneurs looking forward to develop a product or service that they believe meets an urgent need in the market, or provides an effective solution to a problem and thus meets a growing demand in the market. Startups often start with modest capital and high costs, and face many challenges in their beginning in terms of obtaining the necessary funding to grow their operations and expand their presence in the market.

What distinguishes a startup company from traditional projects is that it aims to achieve accelerated growth without this growth being accompanied by a linear (constant) increase in costs. The challenge lies in balancing the ability to receive and serve more customers in return for not incurring large operational expenses. In addition, the startup or start-up company is known for its lack of a crystallized and clear business model. Rather, its efforts in its early days are focused on developing a product that the entrepreneur believes is required in the market.

The initial capital that is invested to launch the startup company differs from the investment capital in that it is the capital that is brought in to develop an entrepreneurial idea and transform it into a real product or service, and this capital covers the costs associated with presenting and presenting the idea.

As for financing, start-up companies often seek in their early days to attract financing by paying attention to relatives and friends, before the destination shifts towards investment financing agencies that want pioneering projects. You are begging for a donation to fund the project from someone who believes in the feasibility of the project and the idea, especially if the project has a social mission and mission that will reflect positively on the environment and society as a whole.

As for the legal form, the sole proprietorship is the most appropriate form for entrepreneurs wishing to transform their ideas into start-up projects due to the aforementioned privileges enjoyed by the sole proprietorship.

It is worth noticing that that the procedures followed and the documents required to register a startup company do not differ from the aforementioned procedures according to the legal form of the company determined by the entrepreneur.

It is also subject to the same investment laws as companies, in addition to the Small and Medium Enterprises Development Law (Law 152 of 2020).





The law authorized the board of directors of the Medium, Small and Micro Enterprise Development Agency (the agency) to grant incentives to enterprises that work in a number of activities, including: entrepreneurship, digital transformation and artificial intelligence, as well as those working in the field of information technology and related services. These incentives are varied to include monetary incentives, bearing part of the cost of technical training, full or partial bearing the cost of participating in exhibitions, in addition to what is related to the land or facilities required by the project. The law stipulates that a yearly allocation for this purpose in the state's general budget does not exceed 0.3 per thousand of the gross domestic product, with a minimum of 1.5 billion pounds annually.

2.1.2 Analytical study of the market and the financial feasibility of the project

This step is important in establishing the project from scratch and is linked mainly to conducting a market survey. This survey shall contain the following:

- > Accurate and detailed identification of the target market and its size.
- Accurate identification of potential clients.
- A statement of the priority of the site for the establishment of the project.
- Measuring the ratio of supply and demand.
- Measuring the degree of competition.
- > Studying the expected costs to be disbursed and the profits expected to be obtained.

2.1.3 Financing

Among the most important decisions that shall be taken to determine the amount of funding required is:

- **1**. Determining the capital by importantly estimating the initial one-time incorporation costs (licenses and permits, equipment, legal fees, insurance, brand acquisition and market research, inventory, brand building, grand opening events, property rental, etc.).
- **2**. Determine the expenses you estimate you will need to keep your business running for at least 12 months (rent or purchase value and utilities, marketing and advertising, production, supplies, travel expenses, employee salaries, your salary, etc.). Therefore, the sum of these amounts represents the amount of the initial investment that you will need or the estimate of the starting capital.

The following list includes some of the authorities concerned with providing funds to assist the investor in starting his own project:

- ✓ Your Project Initiative (Ministry of Local Development):
 https://www.nccpimandtip.gov.eg/ar/program/
- ✓ Small and Medium Enterprises Development Agency: http://www.msmeda.org.eg/
- ✓ Banque Misr Micro finance Initiative : https://www.banquemisr.com/ar/funding-smes/small-enterprises-projects



2. 2 Second phase (Preparation)

Illustration 5: Procedures to be followed to prepare for setting up a company

Appointing a chartered accountant to act as an auditor for the company's accounts

ID number for

Appointing a lawyer for the company, who shall be at least a lawyer before the Court of appeal Determining the partners and their contributions in the company and determining the share and its value

Identifying the responsible manager(s) and determining their authorities

2.2.1 Preparing the documents required to establish a company or Individual project

The documents required to establish a company

Documents required to establish a sole proprietorship	Documents required to establish a one-person company	Documents required to establish a joint-	Documents required to establish a financial company
		stock company	
 A copy of a power of attorney from the owner of the facility in the event that the incorporation was done through an agent 	 Trade name non- confusion certificate approved by the Commercial Register. In the event that a 	 Copy of powers of attorney from all partners (possibility for asking to see the original): the power of attorney shall 	 Trade name non- confusion certificate approved by the Commercial Register. Bank certificate: by
(possibility for asking to see the original), the power of attorney shall include the establishment of companies.	legal entity establishes a one- person company, the following documents shall be submitted:	include the power of establishing companies and signing the articles of incorporation in front of the	depositing at least 10% of the value of the issued capital for joint stock companies and partnership companies limited by shares, and it
 Photocopy of the ID (clear and valid) for the owner of the facility: (possibility for asking to see the original): the national ID number for Egyptians and passports for foreigners. Photocopy of the ID (clear and valid) for the Agent: (possibility for 	 Power of attorney from the legal representative of the legal entity. A recent extract from the commercial register of the legal entity (possibility for asking to see the original). If the founder of the 	Investment Documentation Office. • Photocopies of the ID (clear and valid) for all the partners: (possibility for asking to see the original): the national ID number for Egyptians and passports for	is completed to 25% within 3 months and completed to 100% within 5 years, taking into account the activities that the law regulating the practice of which requires a minimum value of the capital It also takes into account that the issued capital shall not be less than 250 thousand
asking to see the original): the national	company is a person of public law, the	foreigners	pounds

approval of the Prime



- Egyptians and passports for foreigners. (a valid residence permit is also required).
- Security inquiry form for the foreign facility owner.
- Approval of the competent authority if any of the company's purposes requires obtaining special approval in accordance with the provisions of the applicable laws (prior approval).
 https://www.gafi.gov.eg

L

- Minister or the competent minister, as the case may be, shall be obtained.
- Power of attorney to establish a oneperson company, whether the founder is a legal or natural person, which includes the establishment of companies and the signing of articles of incorporation before the real estate registry.
- Security inquiry form for the company owner or the foreign manager.
- An official extract from the register of accountants and auditors stating the eligibility of the company's auditor to audit and approve the companies accounts and balances, and submit a copy or acknowledgment of acceptance of appointment in the event that this certificate was previously submitted to the Authority.
- Photocopies of the ID of the founder (after reviewing the original), the national number for Egyptians, passport for foreigners.
- Photocopies of the ID of the agent (after

- A copy of the registration card in the Bar for the lawyer who ratifies the Articles of Incorporation before the Bar Association. (At least a lawyer to the first instance court, and the lawyer's card shall be valid to date)
- Security inquiry forms for foreign partners.
- Photocopy of the ID (clear and valid) for the Agent (possibility for asking to see the original): the national ID number for Egyptians and passports for foreigners. (a valid residence permit is required)
- Approval of the competent authority if any of the company's purposes requires obtaining special approval in accordance with the provisions of the applicable laws (prior approval).
- In the case of an inkind contribution at the time of incorporation: The evaluation report of the in-kind share is submitted by experts from among the professions regulated by law,

- A copy of all the powers of attorney (possibility for asking to see the original),
- o From all founders in the case of joint stock companies (the number of founders shall not be less than three).
- o Or from all partners in the case of limited liability companies (the number of partners shall not be less than two, and the company shall have an Egyptian manager).
- o The power of attorney shall include the power of establishing companies and signing the articles of incorporation before the Investment Documentation Office.
- Photocopies of ID (valid and clear) for founders or partners: (with the permission to request access to the original): (National number for Egyptians. \ Passports for foreigners.)
- An official extract from the register of accountants and auditors stating the eligibility of the company's auditor to audit and approve the company's accounts and balances, and submit a copy or acknowledgment of acceptance of appointment in the event that this



- reviewing the original), the national number for Egyptians, passport for foreigners (a valid residence permit is required).
- Approval of the competent authority if any of the company's purposes requires obtaining a special approval according to the provisions of the applicable laws (prior approval).
- In the case of an inkind contribution at the time of incorporation: The evaluation report of the in-kind share is submitted by experts from among the professions regulated by law, according to the nature of each share.and the founder's approval of the validity of the evaluation.

- according to the nature of each share.
- A report for evaluating the tangible assets of a sole proprietorship (land real estate buildings machines equipment inventory) approved by a technical expert according to the nature of those assets, supported by documents proving the ownership.
- Submitting the original minutes of the meeting of the partners of the company under incorporation, which includes the approval of the evaluation report and the distribution of the evaluation outcome among the heirs according to the inheritance notification, in addition to approving any other data of the company under incorporation.

- certificate was previously submitted to the Authority.
- A copy of the registration card in the Bar for the lawyer who ratifies the Articles of Incorporation before the Bar Association. (At least a lawyer to the First Instance Court, and the lawyer's card shall be valid to date)
- Security inquiry forms for founders or foreign partners.
 Determine the name and address of the company's legal advisor, provided that the degree of registration is not less than an appeal attorney.
- Photocopies of ID (valid and clear) for the agent (see the original):
- o National number for the Egyptian o Passport for a foreigner (a valid residence permit is required)
- Approval of the competent authority if any of the company's purposes requires obtaining special approval in accordance with the provisions of the applicable laws (prior approval).
- In the case of an in-kind contribution upon incorporation:



	o In the case of joint
	stock companies
	limited by shares: the
	original report of the
	committee formed by
	the General Authority
	for Investment and Free
	Zones to assess the in-
	kind share shall be
	submitted
	o In the case of a limited
	liability company: it is
	permissible only to
	submit a report from
	experts from among
	the professions
	regulated by law,
	according to the nature
	of each share

2.3 Third phase (Foundation)

Extracting the articles of association	Pay union fees	Approval of the Memorandum of Association	Issuance of chamber of commerce certificate	Subscribe to Chamber of Industries	Registering in the commercial register	Extraction of the commercial register inscription	Issuance of tax card and value added tax
Get to the Investment Authority, submit the required documents, and extract the articles of incorporation	Get to the Bar Association located within the Investment Authority and pay the union fees, which vary according to the capital of the company whose capital exceeds 20,000 pounds	Get to the real estate registry to approve the articles of incorporation and pay the incorporation fees, which vary according to the capital of the company	Get to the Chamber of Commerce to pay the fees and obtain the Chamber of Commerce certificate	Get to the Chamber of Industries to subscribe in the chamber concerned with the company's activity	Get to the commercial registry to register the commercial registry, and the registration is valid for five years and renewed for a similar period	Obtaining an extract from the commercial register, which is valid for a period of three months from the date of its issuance, and it is possible to obtain more than one extract from the commercial register	Through the tax office located at the headquarters of the General Authority for Investment and Free Zones, the tax card and the VAT registration card can be obtained within two days of submitting the required papers to the tax office inside the authority



The following table provides a detailed explanation of these procedures and the required papers:

Table 1: The most important papers required according to the detailed procedures necessary for establishing companies

Procedures	Competent authority	Required Documents	Documents of Reference
Fill out the preliminary contract form and articles of association	The website of the General Investment Authority	The form is filled out manually and then reviewed with the specialized lawyer in the same office in the authority	Company initial contract template Company initial contract template.pdf
Complete a security inquiry form in case there are foreign partners or managers (individuals/companies)	General Authority for Investment	The form is filled out manually and then reviewed with the specialized lawyer in the same office in the authority	Corporate Security Inquiry Corporate Security Inquiry.pdf Individual Security Inquiry.pdf
Issuance of a certificate of no ambiguity in the name (if requested by the bank when opening the account, bearing in mind that its validity period is one week)	General Authority for Investment	The certificate form is withdrawn from the General Investment Authority	A certificate of non-ambiguity form electronically through the website of the Investment Authority
Complete the memorandum of association form	General Authority for Investment	 Proof of identity from all founders or partners Power of attorney copies of all founders or partners A memorandum of association form to be completed by the founders' agent 	According to law 72 Joint Stock Company Contract Form 72 Joint Stock Company Contract Form 72.pdf Limited Liability Company Contract Form Law 72 Final Limited Liability Company Contract Fo Stock Recommendation 72 Final



		Stock Recommendation 72 According to Law 159 Stock Recommendation 159 Final Stock Recommendation 155 Joint Stock Company Contract Form 159 Final Joint Stock Company Contract Form 159 Fin Limited Liability Company Contract Form 159 Final Limited Liability Company Company Contract Form 159 Final
The bank	The review is done with the bank to find out the documents required to open the account, which differ from one bank to another	
General Authority for Investment	This form is issued free of charge and submitted with the rest of the required documents and used to draft the articles of incorporation.	Acknowledgment attached to the form Acknowledgment attached to the form.
General Authority for Investment	In this application, information about the company, its representative, the law regulating it, its legal form and the language to be published in the investment newspaper shall be mentioned. The application is filled out and submitted with the company file follow-up form during references	
General Authority for Investment The window of the Bar Association of the	The payment permissions are copied in two copies before payment, then go to the Bank of Alexandria, the investment branch to pay all the fees, except for the Traders	
	General Authority for Investment General Authority for Investment General Authority for Investment The window of the Bar	General Authority for Investment General Authority for Investment General Authority for Investment General Authority for Investment In this application, information about the company, its representative, the law regulating it, its legal form and the language to be published in the investment newspaper shall be mentioned. The application is filled out and submitted with the company file follow-up form during references General Authority for Investment The window of the Bar Association of the



		the Traders Syndicate treasury located in the hall of the second floor of the General Investment Authority . After that, all payment receipts are photocopied from three copies, then return to the establishment follow-up department to hand it one copy of the payment vouchers and an original and two copies of the payment receipts. If the company's capital exceeds 200,000 Egyptian pounds, it is directed to the Bar Association counter at the Investment Authority to obtain permission to pay the contract ratification fees.	
Trade Practice Certificate	Chamber of Commerce at the headquarters of the Investment Authority	 A copy of the company's contract or articles of association Deed of possession of the place of activity with proven date prescribed fees Power of attorney for a lawyer, if there is an agency 	Application form for a certificate of practice
Extracting the commercial register and applying for registration	Investment Authority	 Original certificate of practice The origin of the articles of incorporation documented in the real estate registry The original of the incorporation resolution Originals of receipts for registration fees in the commercial register Photocopy two copies of the memorandum of association and incorporation resolution, and a copy of the powers of attorney issued to the founders' agent and handed over to the Follow-up Department 	



Request to issue or renew a

extracting the tax card,	register, and the original is presented for viewing (it shall be taken into account that the company's purpose and address should be written in the commercial register as written in the memorandum of association). - A copy of the memorandum of association and the original to be submitted for viewing. - A copy of the certificate of incorporation and the original is submitted for viewing. - A copy of a lease contract (the date of which is proven in the real estate registry to which the property location belongs) or a copy of a notarized ownership contract, for the company's headquarters that is registered in the commercial registry, and the original is submitted for review. - A one-pound stamp on each page of the articles of incorporation and lease contract. - A copy of the founders agent card.	Request to issue or renew a tax card.pdf
Opening an insurance file	The employer submits an application to start the activity on Form No. 2 (Q2) of the original and two copies within two weeks from the date of the start of the activity, with the following documents attached to it: - The signature of the employer or his representative or his representative to edit the forms on the signature form on Form No. 11 approved by the employer or the electronic signature. Documents indicating the beginning of the activity such as (company contract,	Form No. 2: Request for the insured and their wages Request for the insured and their wag Form No. 11: Signature of the worker or manager in charge Signature of the worker or manager in

- 2 copies of the commercial

Opening a tax file and



incorporation decision, lease Worker subscription contract, tax card, commercial notification register,). - Editing Form No. (1) (Q1) for each worker in the facility and Worker subscription notification.pdf the birth document or a photocopy of it after matching it to the original and annotating this from the competent employee and completing the signatures of the worker and the employer. - Matching the signature of the employer to the signature form on all submitted documents. -Register a facility number immediately upon submitting the previous documents. - Return a copy of Form Q1 and Form Q2 after registering it on the computer

2.3.1 Factory

In the case of establishing a factory, an industrial register shall be obtained from the Industrial Development Authority. It is recommended to appoint a lawyer to follow up all procedures, because they differ according to the activity practiced by the company.

The establishment of factories is only in the industrial zone, and an industrial license shall be available. Needs card through which the required raw materials are imported

As shown below:

Documents required to obtain an industrial registry and a needs sheet

- Proof of identity of the applicant
- > A recent and valid extract of the commercial register (no more than 3 months old)
- Power of attorney or authorization in the case of the principal or delegate
- Deed of ownership of the facility (lease contract or title deed)
- > A valid membership certificate from the Federation of Industries
- > Technical and Environmental File (Engineering Consulting Office)
- Fire prevention report or previous civil defense approval (the report is approved by an engineering consultant office)
- > Tax card
- > The original industrial register or operating license in case of modification (the modification of the operating license will be if the activity of the required license is different from the original activity for which the factory was assigned)
- > Letter of connection of utilities according to the required capacity (electricity, water, etc.)

