

**Decree of the President of the Arab Republic of Egypt on Law No. 27/2015
Amending some Provisions of Law of Economic Zone of Special Nature
issued by Law No. 83/2002**

The president of the republic,

Having regard the Constitution,

Having regard the Civil Law,

Having regard Law No. 114/1946, regulating the Real Estate Registration,

Having regard Law No. 68/1947, concerning the Documentation,

Having regard Law No. 129/1947, concerning Obligations on Public Utilities,

Having regard Law No. 61/1958, concerning granting concessions on investment of Natural Wealth Resources, Public Utility and amending terms of concessions,

Having regard Custom Law issued by Law No. 66/1963,

Having regard the Law No. 70/1964 concerning the fees of Real Estate Registration and Documentation,

Having regard the Law No. 1/1973 concerning tourist and hotel establishments,

Having regard Law No. 2/1973 concerning the supervision of Ministry of Tourism on tourist areas and exploitation thereon.

Having regard the Law No. 30/1975, concerning Suez Canal Authority,

Having regard the Law No.34/1976, concerning the Commercial Register,

Having regard the Law No.38/1977, regulating the travel companies,

Having regard the Law No.59/1979, concerning the establishment of new urban communities,

Having regard the Law No. 111/1980, concerning stamp tax law,

Having regard Law No.143/1981, concerning desert lands,

Having regard Law No.159 of the year 1981 issuing Law on Joint Stock Companies, Partnerships Limited by Shares and Companies with Limited Liability,

Having regard Law No.186 of the year 1986 issuing Law Regulating the Customs Exemptions,

Having regard Law No.11 of the year 1991 issuing Law on General Sales Tax,

Having regard Law No.203 of the year 1991 issuing Law on Public Business Sector Companies,

Having regard Law No.95 of the year 1992 issuing Law on Capital Market,

Having regard Law No.4 of the year 1994 promulgating Law on Environment,

Having regard Law No.95 of the year 1995 issuing Law on Financial Leasing,

Having regard Law No.8 of the year 1997 issuing Law on Investment Guarantees and Incentives,

Having regard Law No.89 of the year 1998 issuing Law on Tenders and Auctions,
Having regard Law No.17 of the year 1999 issuing Law on Trade,
Having regard Law No.83 of the year 2002 issuing Law on Economic Zones of Special Nature,
Having regard Law No.12 of the year 2003 issuing Law on Labor,
Having regard Law No.91 of the year 2005 issuing Law on Income Tax,
Having regard Law No.10 of the year 2009 on Regulating the Supervision of Markets and Non-Banking Financial Instruments,
Having regard Law No.67 of the year 2010 on Regulating the Participation of the Private Sector in Infrastructure Projects, Utilities and Public Services,
Having regard the Law No.14 of the year 2012 on Integrated Development in Sinai Peninsula,
Having regard the Law No.46 of the year 2014 issuing House of Representatives Law,
After the approval of the Prime Minister,
In accordance with what was considered by State Council,

Decided the text of Law as follows:

(Article 1)

Article (1) item D, 2,3,5,6, item D,8,9,10 "paragraphs 1,2,6, 11,13,"paragraph 1" ,16, 17 "Paragraph 1", 18, 22, 34 "paragraph 2" and 49, 54, 55 of Law on Economic Zones of Special Nature issued by Law No. 83/2002 are replaced by the following texts:

Article (1)

(D) Main development company:

Each company shall be entrusted with the development , promotion, construction, management or maintenance of the Economic Zone of Special Nature or part thereof within its borders.

Article (2)

The President of the Republic may establish by a decree, outside the urban area of the existing towns and villages, an economic zone or more, in order to establish agricultural, industrial and service projects as stated in Article (4) of this Law. The area may extend to the urban area of cities and villages in case the nature of the projects required.

The President of the Republic may annex or construct one or more ports in the region, whether maritime, air or dry.

Article (3)

The Prime Minister shall, after the approval of the Cabinet, issue a decree to establish an authority for each Zone or economic zones that shall have a legal public entity. Such authority shall be under the supervision of the Prime Minister and shall be named after the name of the zone or in the name of one of the zones. This body shall exclusively be competent to implement the provisions of this Law. The head office shall be at the headquarters of the zone or any of the zones thereof. The authority may establish branches inside or outside any of these zones.

Article (5)

The ownership of land and state-owned enterprises shall be vested in the Authority within the zone .

All rights and obligations arising from the contracts and acts relating thereto shall be vested in the Authority.

The decision to establish the Authority may include the integration of any zone of the existing authorities within the Zone, without prejudice to the status and rights of employees in such authorities.

Article (6)

d) Endowments, grants, loans and credit facilities given to the Authority upon the approval of the Board of Directors.

Article (8)

Except that which may be allocated to public use, the funds of the Authority shall be deemed as private property of the State and no other entity shall be allowed to dispose of or extend from such property to achieve its purposes, without prejudice to Article (23) of Law No. 127/1981 concerning governmental accounting.

The funds of the Authority are deemed to be public funds in the application of the provisions of the Penal Code.

Article (9)

The Authority shall have a chairman, a deputy chairman or more whose appointments and remunerations shall be determined by a presidential decree for a period of three years renewable for additional period (s).

The Chairman of the Authority shall manage its affairs, implement the resolutions of its Board of Directors, and represent the Authority before the courts and third parties.

Article (10) First paragraph

The Authority shall be managed by a Board of Directors formed by virtue of a Decree of the Prime Minister. The Board of Directors shall consist of : Chairman of the Authority as head of the Board of Directors, deputy chairman and nine other members, four of them are representatives of related ministries and governorates, including the Minister of Defense in the areas which require therein, and five who have financial, technical and legal expertise where the Executive Regulation shall define the rule of the nomination thereof.

Article (10) Paragraph (2)

The Chairman of the Board of Directors may invite representatives of other Ministries and Governorates to consider one of the topics within their competence. The Board of Directors shall comply with the regulations established by the Executive Regulations in coordination with the concerned authorities to take into account the requirements of national security and the defense of the state.

Article (10) Paragraph (6)

The Board of Directors may constitute among its members one or more committees entrusted with a specific task. A full-time Executive Director may be appointed to the Authority. The Board of Directors shall be responsible for the appointment, the renewal and financial treatment of the Executive Director. The duration of appointment of the Executive Director shall be two renewable years. He shall attend the meetings of the Board of Directors without having the right to vote.

Article (11)

Decisions of the Board of Directors shall be issued by a majority of the members thereof. In case of equal votes, the party of which the chairman is a member shall prevail.

Article (13) Paragraph (1)

The Board of Directors of the Authority shall establish and manage the general policy of the Zone in such a way as to achieve the objectives of the Establishment. The Board of Directors of the Authority shall have, for that purpose, the competences prescribed in the laws and regulations for the ministers, governors, chairman of authorities and others in the relevant governmental authorities and entities necessary for the Authority to exercise its competences, except for the Ministers of Defense, Interior Affairs, Foreign Affairs and Justice.

Article (16)

The Authority may jointly establish one or more Main development companies or authorize the others to establish them to carry out the development of the zone or its affiliates in accordance with the rules set forth in the Executive Regulations.

Article (17) First Paragraph

The Authority shall implement and manage the internal infrastructure of the Zone and its affiliates.

The Board of Directors of the Authority shall authorize the main development company to execute and manage the infrastructure and the internal structure of the Zone. The Board of

Directors may also delegate the main development company to promote the Zone and seek to attract investors thereto, taking into account the following:

Article (18)

The Authority shall have, within the boundaries of the Zone, powers of the administrative authority in charge of applying the provisions of laws relating to the purposes of the Authority and the practices thereof for the powers stipulated in this Law especially Law No. 159/1981 and Law No. 34/1976 concerning the Commercial Register. The Authority shall have exclusive power to approve the articles of association of the companies, without violation of public order and the applicable Laws and shall power to set a system for registering branches and establishments within the Zone.

The Authority shall determine the disclosure system which the companies, establishments and branches within the Zone shall comply with.

Article (22)

A customs area of the Zone shall be, without prejudice to the customs exemptions established for the projects in the Economic Zone of Special Nature, established by virtue of a decree issued by the Minister of Finance. The said area shall function under the supervision of a supreme customs committee. The Chairman of the Authority, upon approval of the Minister of Finance, shall form this committee, appoint its executive manager and set its rules and procedures.

The supreme committee shall consist of:

- *A representative of the Ministry of Finance* (Head)
- *A representative of the Customs Authority* (Member)
- *A representative of the Port Authority* (Member)
- *A representative of the Authority* (Member)
- *A representative of the General Organization for Export and Import Control* (Member)
- *The executive manager of the Customs area* (Member)

The said committee shall supervise the implementation of the customs system of the Zone and implement the policies and decisions issued by the Board of Directors of the Authority in this regard.

Article (34)

The Authority shall issue work permits for the foreigners after approval of competent security authorities.

Article (49)

Upon the approval of the board of Directors and in accordance with the controls established by the Cabinet, the founding shares of the joint Stock Companies established in the Zone may be traded upon the establishments of the companies without being restricted by the nominal value of the shares.

Article (54)

The Board of Directors of the Authority shall issue a Decree regulating the business of the Center, the procedures for handling its competences, the rules for assessing and meeting its expenses, the fees for its services, the rules for setting compensation of the heads and members of the reconciliation panels and the ways to execute the decisions issued by the center's panels.

Article (55)

The Center shall be headed by an acting or former counsel at the rank of a chief judge of a court of Appeal or its equivalent or by one of the organization's jurists.

The acting counsels shall be appointed pursuant to the applicable laws and regulations governing them upon. The former counsels and the jurists shall be appointed from the Minister of Justice upon the request of the Board of Directors of the Authority.

A decision by the Board of Directors of the Authority shall be issued to appoint and determine the compensation of the head of the Center and his assistants.

Article (2)

Two new articles (38 bis) and (38 bis a) are added to the Law on Economic Zones of Special Nature referred to as follows:

Article (38 bis)

" The provisions of Articles (37) and Article (38) of this Law shall not apply to the zones and authorities established in accordance with the provisions thereof, the companies that are established or renewed or the projects and activities that are licensed to operate in accordance with the rules and regulations of the Economic Zones of Special from the date of the application of such article."

Article (38 bis A)

Upon a decision by the Cabinet and what presented by the Board of Directors of the Authority, the projects with labor-intensive employment or projects that work to deepen the

domestic component of its products or invest in the fields of logistics services or trade development, electricity fields from conventional, new and renewable power, agricultural enterprises, land, sea and rail transport projects, may be granted non-tax facilities and incentives, in accordance with the rules and regulations stated in the Executive Regulations of this Law.

The Board of Directors of the Authority shall:

- 1- Grant projects low prices or facilitations to pay for the used energy.
- 2- Refund of the value of connecting the utilities to the land assigned to the project or part thereof
- 3- Charge the share of Egyptian labors and employers in the insurance or a part thereof for a specified period to the Authority.
- 4- Charge a part of the cost of technical training for Egyptian labors to the Authority
- 5- Allocate the land required to carry out its activities by the system of usufruct (the right to use) for a nominal fee or to postpone the payment of all or part of all or other related facilities after the actual operation of the project.

To grant the projects referred to in the first paragraph of this Article any of the additional non-tax facilities and incentives, such projects shall start its production or activity according to the circumstances in accordance with the rules and regulations stated in the Executive Regulations of this Law.

Article (3)

The phrase " People's Assembly "stated in Article (15) paragraph three of the Law on Economic Zones of Special Nature shall be replaced by the phrase " House of Representatives ".

Article (4)

A new item (i) shall be added to Article (13) of Law of Economic Zones of Special Nature, as follows: "Coordination with the Ministry of Defense to take into account the requirements of the defense of the State"

Article (5)

Paragraph (e) of Article (1) of Law of Economic Zones of Special Nature shall be deleted.

Article (6)

This Decree shall be published by law in the Egyptian *Official Gazette* and shall come into force as of the day following the date of its publication.

The Presidency of the Republic On:

June 23rd, 2015 A.D

Abd El-Fattah El-Sisi