

## **Provisions Intended To Be Translated.**

### Article (1) :

In case of applying the Provisions of this law , the following terms shall have the meanings defined and assigned to each of them .

A - " The Area " means the economic area with particular characteristics , for fixing its limits a decree shall be issued by the President of the Republic , and to which the provisions of this law shall apply .

B - " The Authority " means the authority entrusted with setting up and development of the area .

C - The Board Of Directors " means the board of directors of the authority .

D - " Parent Development Company " means each company committed to the development of the economic area with particular characteristics or part thereof , to promote it or to build , manage , or maintain the infrastructure inside its limits.

E -" Center " means Dispute Settlement Center in the area .

### Article (2) :

The President of the Republic may issue a decree for setting up one or more economic areas outside the urban area of the existing cities and villages , with a view to developing agricultural industrial and service projects as described in article (4) of this law . As the area may be extended to the inside of the the urban area of the cities and villages , if the nature of the projects necessitates such extension .

Further , the President of the Republic may issue a decree to annex , or construct one or more ports to , or inside of , the area , whether such port is sea port , trading port or dry port .

### Article (3) :

The Prime Minister shall issue a decision , after the approval of the cabinet , to establish an authority for each economic area or for the economic areas. The said authority shall have the public legal personality , shall be affiliated to the cabinet, and shall be designated by the name of the area or by the name of one of the

other areas . This authority shall be , with no others , competent to apply the provisions of this law , having its head office in the premises taken up in the area or in the areas affiliated thereto. The authority shall be entitled to set up branches in any one of these areas or outside of them .

Article (5) :

Ownership of the lands and the establishments owned by the government inside the area shall belong to the authority . Moreover , to the authority shall belong all the rights and the obligations arisen from the contracts and the dispositions related to such lands and establishments .

As the decision issued to set up the authority may involve merger of any area of the authorities existing inside the area , without prejudice to the status and rights of the employees working at such authorities .

Article (6) :

The authority shall have its own capital which consists of the funds and the real assets belonging to it from the State .

The resources of the authority shall consist of :

A - The remuneration for usufructuary right and the rent as to the lands of the area .

B - The profits which the authority receives from the profits of the companies to which it contributes .

C - The outcome of the authority's activity and payments made for the licenses it issues and the services it renders according to the provisions of the law .

D - The gifts , grants , loans and the facilities received by the authority , after the approval of the board of directors of the authority .

E - The investment yield of the authority's funds.

F - The gross receipt of the penalties and compensations awarded pursuant to the provisions of this law.

G - Any other resources for which a decision shall be issued by the board of directors of the authority.

Article (8)

Except for what is assigned to Public Good, Authority Fund that is from state - owned fund shall be deemed a private property. None except Authority should dispose of or expend such fund to attain the purposes thereof. In such case, the provision of Article (23) of Law 127 /1981 on Governmental Accounting shall not be

applied. Authority Fund shall be deemed a public property in applying the provisions of the Penal Code.

#### Article (9)

The authority has a head, a deputy or more who shall be appointed and their financial dealings shall be assigned by virtue of a presidential decree for a term of three years that shall be renewable for one or more term.

Authority Head shall handle its affairs and shall execute its general assembly resolutions and shall represent it before Judiciary or others.

#### Article (10)

Authority shall be run by a board of directors formed by virtue of Prime Minister decree. The board constitutes of the authority head as a chairman and membership of its deputies and nine members; four of them represent ministers and related governorates, among them ministry of defense in the areas whose nature requires that. And five of them have financial, technical and legal expertise; their nomination shall be clarified in the internal statute.

Chairman of the board may call for other ministers and governorates on discussing the issues that shall be included in their terms of references.

Chairman of the board may call for other ministers and governorates on discussing the issues that shall be included in their terms of references. The board shall adhere to, by virtue of the regulations of the internal statute, coordinate with the concerned authorities in order to observe the requirements of National Security & defense of the state.

Decree of Board of directors' formation shall determine membership remuneration for a chairman and members thereof.

Membership term of board of director shall be three years that shall be renewable for one or more term.

Board of Directors shall meet at least once every month and as needed at the invitation of its chairman or according to a written application submitted by third of its members. The Council shall not be valid unless two-thirds of the member at least present

Board of director may form, among its member, one or more committee that shall be assumed by a certain task.

Board of director may form, among its member, one or more committee that shall be assumed by a certain task. Full-time executive director may be appointed for Authority. His appointment together with renewal of his financial dealings and his

competences shall be made by virtue of a decree from Authority board of director. Appointment term of the executive director shall be renewable two years.

The executive director shall attend board of director meetings without the right to vote.

#### Article (11)

Board of Directors' decrees shall be issued by majority of its member vote In the case of equal votes; the President shall have the casting vote.

#### Article (13)

Authority board of director shall formulate the general policy for the region and management thereof so as to ensure the achievement of its establishment objectives. To achieve such end, it shall have terms of references fixed in Laws & Regulations for ministers, governors, Authorities heads and other specialists in related governmental authorities & bodies that are essential in order that the authority shall exercise its term of references except the ministers of defense ,interior, foreign affairs and justice .

The board shall specialize in taking all of the required decisions & procedures to administer the region and development thereof and to organize the work within it .To achieve such end, in particular, he can:

- 1- Establish the conditions, criteria and rules for urban planning, construction, insurance thereof and can approve of the general and detailed planning to the region to ensure the availability of international levels and specifications and to support the ability to compete with similar economic regions.
- 2- Establish the conditions and criteria that should be met for the issuance of a license to establish agro-industrial and service projects or other activities in the region or to stop or cancel them.
- 3- Establish the conditions and criteria that should be met for granting environmental permits for at least the requirements stipulated in the Environmental Protection Act, taking into account the environmental effects on the neighboring places.
- 4- Establish systems of managing the ports & airports, and propose what achieving the unification of its organs and the speed and efficiency of working therein according to the highest international standards.

- 5- Adopt the regulations relating of the business order & Social insurances within the region.
- 6- Adopt the systems & necessary plans for training in various disciplines and implement them directly or by agreement and cooperation with others.
- 7- Establish the systems and the procedures that are relating to import and export to and from the region as well as hygienic, environmental and technical control systems related to import and export So as to achieve efficiency, swiftness and hygienic & environmental, security in accordance with the highest international standards and without being restricted by regulations and procedures stipulated in the laws and the organizational decisions for Import and Export.
- 8- Establish a system to ensure the completion of publicity & notarization processes by the efficiency and the swiftness required and set the fees of publicity & notarization but not exceeding than the limits prescribed in the applicable laws in agreement with the Minister of Justice.
- 9- Co-ordinate with the Ministry of Defense to take into account the requirements of Defense for the State.

#### Article (15)

Board of Directors shall issue the internal regulations and decisions relating to financial , administrative and technical affairs for the Authority, and the regulation of tenders and biddings of the same and shall set its organizational structure and shall take all the decisions and actions needed to manage the region and organize the work in it. The board has the right. Also the board has the right to establish offices, departments and committees required by business need and to set up offices for the Authority within and outside the State and the Board shall determines the body responsible for implementation of all its terms of reference.

And the Council -in order to achieve the above- has the right to ask the assistance of the best talent and local and global expertise without being bound by the limits stipulated in any legislation on the financial dealings of its workers, staff , managers and consultants.

Authority board of director shall approve its budget plan & final account to be presented before Hose of Representative.

Article (16)

Authority has the right to participate in establishing one or more chief development company or to authorize the others to establish the same to carry out the development works of the region or the regions that affiliate to it according the rules fixed by Internal Statute .

Article (17)

The authority shall undertake execution and management of the internal infrastructure of the area or the affiliated areas. The authority's board of directors shall assign to a main development company or more with the execution and management of the internal infrastructure of the area or the affiliated areas or part of it. The board of directors shall also assign such company with the promotion of the area or the affiliated areas and working on attraction of investors.

The license shall include the following:

- A- Commitment of the company to the general and detailed area planning, approved by the authority , also to the descriptions produced by the authority of the infrastructure ,its management and maintenance .
- B- Commitment of the company to the environmental terms and standards concerning the general planning of the area ,its facilities, accumulation of similar activities and project execution.
- C- Determination of the minimum and maximum limit of the service consideration, which the company receives from the investors.
- D- Determination of the rules and conditions committed by the company against the authority at contracting with the other to execute some or all of what licensed to it to do.
- E- Commitment of the company itself or through the other to establish , manage and maintain networks of water , electricity , roads , communication , water and industrial drainage systems , and natural gas inside the area , subject to commitment to the fixed descriptions and requirements concerning establishment of such networks , provided that the authority shall undertake- on agreement with state apparatus and competent companies- the liability of extending main lines and networks to the limits of the area site .

F- Protection of the environment and application of environmental management systems in order to conservation of plants and rare creatures , usage of safe methods in treatment water and industrial drainage, also treatment of dangerous wastes ,commitment to technical terms of such treatment ,all in coordination with Environment Affairs System .

Article (18)

The Authority shall have jurisdiction of the administrative body charged with applying the law provisions related to the authority purposes and its practicing of the determined jurisdiction in such law , especially law no 159 of year 1981 and law no. 34 of year 1976 concerning the commercial registry . Only the authority has the right to issue approval on companies' bylaws , provided that public order and applied laws don't be breached. The authority also is competent to set up a system for entering branches and facilities inside the area .

The authority shall determine the expression systems , which the companies, facilities and branches inside the area should comply with.

Article( 22) :

Without any prejudice to prescribed customs exemptions for the established projects in economic area , and establishment a customs bureau especially for the region under a resolution of the minister of finance. The committee shall start its work under the supervision of a supreme committee of customs. The chairman of the authority shall form the committee and shall determine its regulation and procedures of working out and shall appoint the executive director after the approval of the minister of finance and the forming of supreme committee as follows:

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|--|----------|
| 1- Representative of the ministry of finance -----                           | Chairman |
| 2- Representative of the Customs authority -----                             | Member   |
| 3- Representative of the port administration -----                           | Member   |
| 4- Representative of the authority -----                                     | Member   |
| 5- Representative of the importing and exporting control general authority-- | Member   |
| 6-Customs bureau executive director -----                                    | Member   |

This committee shall be responsible for supervise on the implementation of the region customs system and customs control on its projects and responsible for implementation of the polices and resolutions issued from the authority board of directors.

Article (34):

Authority board of directors shall determine the regulations for obtaining work permits for foreigners in the region with taking into account the percentage of foreign workers to the Egyptians that provided in governing laws unless the authority board of directors issues a reasoned decision to amend this percentage for a company or project in light of the availability of the required competencies locally .

Article (34)

The authority shall issue work permits for the foreigners after obtaining approval from the competent security authorities.

Article (38 bis)

The provisions of articles (37), (38) from this law shall not apply to the areas and authorities that are created in accordance with its provisions and the companies that are founded or renewed to work in economic zones system and the projects and activities that are licensed to work in this system, that shall be affected from the date of such article.

Article (38 bis):

Decision of the Cabinet may , upon submission of the Authority board of directors , grant projects with operating heavy labor or working to deepen the local component in their products or which invest in the areas of services logistics or the development of trade or areas of Electricity from conventional , new and renewable energy or agricultural projects or land transport , maritime and railway projects , concessions and non-tax incentives , in accordance with rules prescribed by the regulations of the law .

The Authority board of directors has more particularly:

- 1- The granting of the projects on sale or concessions in the payment of the energy used.
- 2- Return the value of facilities delivery of the project land or part of it.
- 3- The authority Loads the share of Egyptian workers and the employer in the insurance or part of it in a specific term.



4- The authority Loads a fraction of the cost of technical training Egyptian works.

5 -The allocation of land to direct its activities by usufruct system and paid nominal price or postpone the payment of all return or some or other concessions related until after the actual operation of the project.

The granting of above projects mentioned in the first paragraph of this article required any of the facilities and non-tax additional incentives which it stipulated, that they had started the production or activity as the conditions in accordance with rules prescribed by the regulations of the law.

#### Article (49)

Shares of Incorporation and shares of joint stock companies incorporated in the area may be trading immediately after its establishment and without being bound by their nominal value and that with the approval the Authority board of directors in accordance with the regulations determined by the council of Ministers.

#### Article (54)

The Authority board of directors issue resolution for the system to perform the center its acts , its competence procedures , the rules of assessment , collection expenses , his services , the rules of assessment the rewards of the heads and the members of the conciliation bodies and how to implement the decisions made by the bodies.

#### Article (55)

One of current or former justices who has the degree head of the court of Appeal or at least equivalent or one of the law men, shall assume the responsibility of the center presidency.

The select of the current justices shall be by delegation in accordance with laws and their own systems, and the selection of former justices and jurists shall be nominate by the minister of justice upon the request of the Authority board of directors.

The head of the center and his aides shall be appointed by decision of the Authority board of directors, and determine his financial treatment.

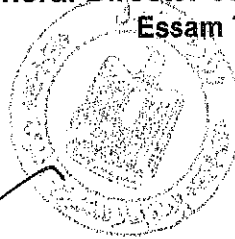
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