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Report

Consumer Protection Law and Executive Regulations - Egypt

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Report

Consumer Protection Law and Executive Regulations - Egypt

TECHNICAL ASSISTANCE FOR POLICY REFORM II
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BEARINGPOINT, INC.
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ENABLING POLICY ENVIRONMENT FOR BUSINESS

DISCLAIMER:

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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In particular, special thanks go to the Mr. Saeed El Alfi, and his staff, Mr. Bahgat Zaher and Shaimaa Zaki and to Counselor Hesham Fathi Ragab who met with the consultant and answered his many questions with candor and an informed and in depth knowledge of the subject matter.

Purpose of Mission

The purpose of the mission was to review all current relevant documents, legislation and regulations that relate to consumer protection in Egypt with the goal of preparing draft implementing Executive Regulations under the *Consumer Protection Law* (CPL) and to make recommendations for the future.

The mission also reviewed selected international statutes and regulations to ensure that international standards and best practices were followed.

This report outlines the findings of the consultant and contains draft Executive Regulations and comments on the CPL, together with suggested projects for future implementation.

Background

The Government of Egypt (GoE) recently passed a *Consumer Protection Law* (CPL) in order to protect citizens and industries from faulty and possibly fatal products manufactured in the country. This legislation was been listed as a priority of the GoE and technical assistance was requested for an international expert on implementing a regulatory framework for the CPL as well as specialization in consumer services protection. As such, TAPR II provided a legal expert in consumer protection regulatory framework development and drafting with a specialty in consumer services protection as well as consumer products protection. The assignment lasted 20 working days.

The scope of the work included drafting of implementing regulations, and assisting the working group formed to do the same. The consultant also provided model regulatory frameworks.

The overall goal of the task is to provide balanced regulations for both consumers and industry that covers services and products and which will result in greater economic growth for Egypt.

1. Consumer Protection Law and Executive Regulations

1.1 General Overview:

Consumer protection is not new to Egypt. Consumer protection associations (NGOs) have been in existence in Egypt since 1995 so they have some experience with consumer issues. They are happy that the new law gives them more power to help consumers in court actions but note that the associations have limited resources. For example, a number of NGOs have indicated that they need the ministry's help in paying for their grassroots efforts in consumer awareness.

The European Union has also been putting a great deal of emphasis on consumer education and information and the establishment and strengthening of consumer protection associations. The Agency and the government will have to develop a comprehensive, coherent policy to deal with this issue.

From the perspective of the associations, the biggest problem for Egyptian consumers is price. Although they realize that the new law won't have direct effect on prices, they hope that through consumer awareness of how to shop and how to demand rights, the ultimate result will be more competition, lower prices and better quality goods. Because lower income persons tend to buy lower quality products with a cheaper price they are often not aware that they are purchasing goods of a lower quality or, if they are aware of the lower quality, they are at least willing to accept it. Consumers need to be able to comparison shop.

In addition to price, the major areas of consumer complaints revolve around food, clothing, electronics and appliances.

Food: While there are many health standards and dating requirements related to food products they do not appear to be rigorously enforced by either the Ministry of Health or the Ministry Agriculture. Although this is not strictly within the purview of the Consumer Protection Agency (CPA) the Agency may want to act as the coordinating body to deal with this issue. The associations also feel that more consumer education is needed regarding, product dating, the use of pesticides and chemicals, and the value of buying higher quality foods instead of the cheapest.

Clothing: Counterfeiting is a big problem (see notes below with respect to brand protection issues). Pirated goods are not up to the standards of brand name products and often give brand named products a bad name.

Electronics and appliances: Consumers need to be more aware that reputable manufacturers provide warranties and that there are differences in the warranties given by different brand manufacturers. Consumers should also be aware of what they need to do to exercise their warranty rights. The NGOs have been trying to help with this but more help is needed.

The associations like the idea of a 14 day return rule but are under the misconception that it applies to all goods, whereas it only applies to defective goods or goods that do not meet the conditions of sale, etc. Clearly more education is needed so that consumers, businesses and the associations clearly understand what protections are provided for in the Law and the Executive Regulations.

Merchants also need to recognize that they are consumers too and that they should treat their customers the way that they would like to be treated. They need to understand that if they treat their customers well they will get repeat business but if they treat customers poorly that the customers will go elsewhere. Of course, consumers need to learn that they should go elsewhere if they are not treated properly.

1.2 Overview of Consumer Protection issues in Egypt

Inspections: There are too many departments and agencies involved in inspections in Egypt (close to 18 types of inspections are possible at one location). This can result in confusion for the consumer who doesn't know who to report to if there is a problem, and frustration for businesses who feel they are being harassed. Corruption and bribery are also a problem where there are numerous inspectors to keep at bay. The CPA has indicated that presently there is no body that has taken on the role of coordinating the various inspection bodies. The CPA has indicated that it is willing to take on this role and has directed that an inspectorate be established under the Executive Regulations that would work with the various ministries involved.

Brand Protection and piracy:

Counterfeit, pirated goods and smuggled goods, which are usually cheaper than the goods they are copying, are a huge problem for the brand name companies in Egypt as brand names represent over 85% of the goods on the shelves in Egypt. For example, Rashedy/Megan, a local Egyptian manufacturer who sells worldwide has problems with its corporate logo being copied by 120 companies world wide. Proctor and Gamble which is the largest manufacturer of packaged goods in Egypt, and also has labs for testing detergents and paper products, has a big problem with inferior products being passed off as their own.

As a result the major companies have created a brand protection group to protect their product names in the market place. They are hoping that the new CPL will provide an additional vehicle to educate consumers while at the same time cutting down on counterfeiting, piracy and smuggled goods.

A big issue for the brand protection group is the fact that consumers buy what they think are "brand" goods which are actually fake. Because the goods are often faulty or break down, the consumers come to the brand name companies thinking that the brand name companies should stand behind their faulty goods and reimburse the consumer. In this case receipts are no help to the consumer as the receipts often incorrectly identify the goods as a brand name product.

Consumers fail to realize that counterfeiting and the importation of fake goods has an impact on economy through loss of taxes, jobs and foreign investment and has an effect on health and safety which in turn also costs society money.

The brand protection group supports the type of CPA that is established in Lebanon and elsewhere and also supports the general provisions of the Law, however they are concerned that the Executive Regulations will not be strong enough in the areas of implementation, inspection and enforcement. They also encourage the use of harsher sentences than what are now set out in the Law.

In order to ensure that there is sufficient evidence in court to prosecute offenders, they are willing to offer laboratory testing services for counterfeit goods. They have noted however that the courts are not usually willing to accept the word of brand company expert. This can be overcome by designating brand company laboratories as government approved labs and providing that evidence from such labs is acceptable as evidence in court. An Article in the Executive Regulations will provide that prescribed laboratories can test products that have been seized by inspectors and that the test results are admissible as evidence in court.

They are also concerned that the 14 day return policy may force prices up if vendors try to create a price buffer to offset losses for returned goods.

They would also like the advertising provisions in the Executive regulations to be strong enough to bring a person to court for false and misleading advertising. Presently it is difficult to bring a person to court and get a conviction for false or misleading advertising. Some new articles in the Executive Regulations attempt to address this issue.

Finally the brand protection group would like a one day workshop that would explain the Executive Regulations and offer the opportunity for comments and suggestions.

Other supporting Laws and Regulations: The import and export Executive Regulations under the *Customs Law* regulates to some degree the quality and labelling of products imported into Egypt and more particularly deals with food stuffs. The Executive Regulations under the Consumer Protection Law (CPL) is more specific and covers products sold in Egypt whether imported or locally produced.

It is important to note that the labelling that is required under the CPL will not necessarily meet the labelling requirements of a receiving country where products are exported from Egypt.

The IPR Law also deals to a limited degree with labelling (i.e. "trade indications") which may to some degree overlap with the labelling requirements under the CPL. In order to ensure that there is a minimum of confusion where a person has contravened both labelling requirements the prosecutor will have to ensure that the accused is not charged twice with the same offence. This will require some degree of coordination between the CPA office and the IPR office. The coordinated inspection process referred to above will also help to remove confusion and overlap.

Advertising: Advertising and the lack of control over what is published and broadcast both on radio and television is a big issue in Egypt. Food advertising is partially regulated since all public broadcasting and all advertisements in public newspapers have to be approved by the Ministry of Health. However this does not cover private newspapers or advertising pamphlets. Comprehensive regulations along the lines of what is set out in the Malaysian *Consumer Protection Act*, which covers all forms of false, deceitful and misleading behaviour (not just advertising), and which has now been added to the Executive regulations, will help address this shortfall.

1.3 Overview of Consumer Protection Law

The *Consumer Protection Law* is a relatively short statute with the details to be found in the Executive Regulations. Unlike common law statutes where regulations can only be made through very specific authority set out in the governing statute, in Egypt as a general rule, the Executive Regulations can include anything that explains or expands on what is in the Law so long as it does

not change the substance of the Law. Areas where the government specifically wants to pass regulations are referred to in the Law as being made by the Executive Regulations.

A large number of comments on the Law in this report deal with the translation from Arabic into English. Although changing the English does not change the Law some mistranslations have caused problems for the Agency as often stakeholders will read the English thinking it properly represents what exists in the Arabic. For example, in English Article 8 seemed to imply that a consumer was entitled to a refund within 14 days for any reason. Reading the Arabic however made it clear at a consumer was only entitled to a refund if the product was defective or didn't meet the conditions of sale.

Some of the major recommendations to the Law include the suggestion that it be amended provide protection from liability for the Agency and the Dispute Settlement Committee and to permit Regulations to be made to cover implied warranties.

Details of the comments and suggestions to the Law can be found in Appendix 3.

1.4 Overview of Executive Regulations under the Consumer Protection Law

The Executive regulations add the details for the law as set out in the CPL. However many of the draft Articles do not belong in the Regulations but in by-laws of the Agency or in other documents that will require flexibility and time to develop over the next year as the Agency forms its complaint and mediation process and sets up the Dispute Settlement Committee.

It has been suggested by the consultant that a detailed complaint and mediation process be developed that would attempt to address the majority of complaints that come to the agency. In addition the Agency will have to develop rules of practice and procedure for the Dispute Settlement Committee which will be acting as a tribunal to settle those matters that can't be resolved through the complaint/mediation process.

Those matters that have been deleted from the Executive Regulations and put into the by-laws can be found in Appendix 6. Note however that the Articles in the by-laws only represent those matters taken from the Executive Regulations and do not represent a true picture of what the final by-laws of the Agency should look like.

Likewise those matters that have been deleted from the Executive Regulations and put into the complaint procedure can be found in Appendix 7 and those that have been put into the rules of practice and procedure can be found in Appendix 8. Note that like the draft by-laws those matters that have been moved only represent matters taken from the Executive Regulations and do not represent a true picture of what the final complaint/mediation process or the final rules of practice and procedure should look like.

Because the Regulations contain the details of the law it is important that the various stakeholders be offered a chance to review and comment on the Executive Regulations. When the complaint/mediation process is developed and the rules of practice and procedure developed further consultations should take place so that all parties to the process know what is happening and have the opportunity to provide input and make comments.

Details of the comments and suggestions to the Executive Regulations can be found in Appendices 4 and 5.

2. Recommendations for the Future:

1. Develop policy for and draft a comprehensive complaint and mediation process.
2. Develop policy for and draft a process whereby the Agency can self-initiate a complaint.
3. Draft expanded corporate by-laws for the Agency to cover such details as conflict of interest, conduct of meetings, etc.
4. Develop policy for and draft Rules of Practice and Procedure for the Dispute Settlement Committee which should ensure that there is a firewall between the Dispute Settlement Committee and the Agency in order to avoid conflicts of interest and bias.
5. Develop a comprehensive training program (train the trainer) on the Consumer Protection Law, Executive Regulations and complaint and mediation process, for CPA staff, Board of Directors, Dispute Settlement Committee and judiciary.
6. Develop a comprehensive training program (train the trainer) on the Rules of practice and procedure for the Dispute Settlement Committee.
7. Provide comprehensive training for the Board of Directors on the CPA by-laws and corporate governance.
8. Develop a comprehensive public awareness campaign to educate the public (this is partially underway).
9. Establish an inspectorate under the auspices of the CPA that would coordinate all inspections that might impact on consumer protection.
10. The Agency should publish the results of cases that are settled by the Agency, the Dispute Settlement Committee or the Courts.

3. APPENDICES

Appendix 1- Project Contacts

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Bahgat Zaher		Legal and Economic Advisor to the Chairman of the Consumer Protection Agency
Gamal Zagzok	012-787-2483	Chairman of the Consumer Protection Association of Alexandria
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Mosafa Abou-EI Enein		Chairman of the Commercial Registry Administration
Khaled Hegazy		Brand Protection, Proctor and Gamble
Ahmed El Rashedy		Brand Protection, Rashedy/Megan

Appendix 2 – Legislation and Documents Reviewed

1. *Consumer Protection Law* and Executive Regulations, Egypt.
2. *Protection of Competition and Prevention of Monopolistic Practices Law* and Executive Regulations, Egypt.
3. *Protection of Intellectual Property Rights* and Executive Regulations, Egypt.
4. *Consumer Protection Act*, Malaysia.
5. *Consumer Protection Act, 1990 and 2002*, and regulations, Ontario, Canada.
6. Complaint process, Travel Industry Council of Ontario.
7. Dispute Resolution Practice Code, Financial Services Commission of Ontario.

Appendix 3 – Summary of Comments on the Consumer Protection Law

Article 1:

“Connected parties” is defined in the Executive Regulations and is based on the term as defined in the Executive Regulations made under the *Egyptian Customs Law* with some minor amendments.

It is not necessary to capitalize defined terms or other terms unless they are official titles.

Although it is not necessary to repeat terms that are defined in the Law in the Executive Regulations, it is the understanding that this has become a common practice in Egypt. It is recommended that the definitions not be repeated especially if the Law and the Executive Regulations are printed together in a handbook for inspectors and others who will be working them.

On the other hand, if the definitions are repeated in both places it is imperative that the wording be exactly the same. Repeating the definitions can also lead to problems if a definition is changed in the Law. This will mean that it will also have to be changed in the Executive Regulations, possibly leading to confusion in interpretation until the Executive Regulations are brought in line with the definition in the Law.

“Authority” should be translated as “Agency” throughout the draft.

Article 2:

No comments.

Article 3:

The data required on “labels” by manufacturers and importers is set out in the Executive Regulations. No data has been prescribed for service providers and it is recommended that this not be done until the Agency has gained some experience in fielding complaints and determining which service providers are proving to be problematic.

Article 4:

The data required to be placed on all correspondence and documents of a supplier is set out in the Executive Regulations.

Article 5:

This Article refers to “receipts”. I believe this is intended to mean “invoices” and, if so, the translation of the Executive Regulations should reflect this.

Article 6:

The original draft of Article 11 of the Executive Regulations provided for a description of what advertising “would create an incorrect or misleading impression” as referred to in Article 6 of the

Law. Although this provides some clarity as to what is incorrect or misleading it is suggested that this Article in the Executive Regulations be replaced with the more comprehensive advertising provisions set out in sections 8 to 18 in the Malaysian *Consumer Protection Act* together with the defences and remedies set out in sections 26 to 28 of that Act.

It is also suggested that the Executive Regulations be expanded to include the implied guarantees (or warranties) set out in Articles 32 to 38 of the Malaysian *Consumer Protection Act*.

However, it is not clear whether Article 6 of the Law as presently drafted provides enough authority to expand the Executive Regulations to include the Malaysian provisions either in regards to advertising or implied guarantees.

If there is sufficient authority, the Malaysian provisions should be included in the Executive Regulations. If not the Law should be amended to provide authority to do so. In the alternative a new Law could be enacted that would include the provisions set out in the Malaysian *Consumer Protection Act*.

Article 7:

Article 15 of the original draft of the Executive Regulations set out some minimal procedures to be followed by suppliers to implement this Article of the Law. That Article in the Executive regulations also set out some procedures to be followed by the Agency upon receiving such a notification.

Article 8:

On a reading of Article 8 in English it appears that a consumer is guaranteed the right to return an article for any reason within 14 days of its purchase. The guarantee in Arabic however only applies where the article is defective or where the vendor fails to meet some other condition of the sale. This mistranslation of the Arabic text into English has created a number of misconceptions.

For example, there are numerous illustrations that can be given (especially with respect to food or articles that may be used one time only) where it would be egregious for a consumer to be able to return a commodity that was not defective within the 14 days, clearly not the intention of the section. A better approach would be for the vendor to be required to set out clearly at the place of business and on the invoice, his or her return or refund policy. On the other hand a 14 day return policy works well for defective goods.

It is recommended that the English translation of the Arabic be reworded as soon as possible to reflect the intention as set out in the Arabic version of the Law so that any ambiguity in the meaning of the 14 day rule is eliminated.

In order to lessen criticism that the Agency is acting arbitrarily it will have to develop rules (and policies on how to interpret those rules) to address when it will permit "a shorter time limit (than 14 days) for a commodity". These rules and policies should not be part of the Executive Regulations so that they can be readily updated from time to time as the Agency gains expertise. However any rules that are developed should be available to the public (not the policies as these would be internal interpretive guides).

The Agency will also need to develop rules (and policies) on how it will deal with defects. These rules and policies should not be part of the Executive Regulations so that they can also be readily updated from time to time. Like the rules on shorter times the rules with respect to defects should also be available to the public.

This Article provides a good example where the Agency will have to engage in due diligence and consult to make sure the various stakeholders understand the both the Law and the Executive Regulations.

Article 9:

No comments.

Article 10:

No comments.

Article 11:

No comments.

The consultant agreed that he would try to find some precedents for the Agency on how to deal with data on instalments.

Article 12:

The work plans and programs referred to in section i and the complaint process referred to in section ii of Article 12 should not be set out in the Executive Regulations but in an Administrative Operational Manual so as to provide maximum flexibility in dealing with complaints.

In order to ensure that multiple inspections do not take place at the same premises, the government should establish an inspectorate to oversee and co-ordinate the various departments and agencies that carry out inspections (e.g. by the Ministry of Trade and Industry, Health, Agriculture and others).

Since there is no existing inspectorate, and the Agency is of the view that it should oversee this coordinating function, an inspectorate should be established that reports to the Agency. The inspectorate should then have its functions defined in the Executive Regulations.

Article 13:

No comments.

Article 14:

No comments.

Article 15:

The “functions of the Executive Manager” should be reworded in English to read “the duties of the Executive Manager”.

Article 16:

Numerous Articles in the draft Executive Regulations that deal with the operations of the Agency more properly belong in the by-laws of the Agency rather than in the Regulations (see Articles 17 to 23 of the Executive Regulations). These articles have been removed and placed in a draft by-law. This will provide more flexibility for the Agency.

Article 17:

It is assumed that although Article 17 refers to the “Committees” that in fact there is one Committee that may sit with various “panels” if necessary to hear issues.

The assistance referred to in this Article could be further mediation that would operate to try to resolve issues before they were actually heard by the Committee (this could be in the form of a “pre-hearing” or simply someone who approaches the parties just before going into the hearing to see if a “last ditch” settlement can be reached. Note that this is not the mediation that takes when a complaint is first lodged with the Agency.

Pursuant to this Article, the Committee will make its own rules of practice and procedure but these will not form part of the Executive Regulations, e.g. Articles 43 to 47 of the Executive Regulations set out matters that more properly belong in such rules.

Article 47 of the Executive Regulations, states that, “Any decision made by the Committee shall have the same effect of the judgment of a court of first instance if such decision is formulated as an executive order”. Although this could be interpreted as clarifying the effect of an order of the Dispute Settlement Committee (under Egyptian law decisions of tribunals have the same force and effect as a decision of the court) it is suggested that this be restated in the Law under Article 17 rather than in the Executive Regulations.

Article 18:

No Comments.

Article 19:

In Articles 14, 15 and 17 the term “resolution” is used in the traditional corporate sense where the Board of Directors of the Agency passes a resolution (after holding a vote on the issue) that involves the operation of the Agency, the appointment of the Executive Manager, or the appointment of the Dispute Settlement Committee. In Articles 19 and 22 the term “resolution” appears to refer to an “order” involving outside parties rather than a resolution in the typical corporate sense. It is therefore suggested that throughout the Law the term “resolution” be changed to “order” where the term is being used in a context other than the corporate sense.

The original draft Article 38 of the Executive Regulations sets out some of the provisions referred to in this Article. These provisions are set out as duties that are to be carried out by the Executive Manager, e.g. notice of the violation by registered letter.

“The said suspension” should be reworded in English to “the said suspension or seizure”.

Article 20:

No comments.

Article 21:

No comments.

Article 22:

See comments under Article 19.

New Article:

A new Article should be added to the Law that will provide protection from liability for the Agency and its employees and the Committee and its employees as follows:

“Protection from personal liability

1. (1) No action or other proceeding for damages or otherwise shall be instituted against a member of the Consumer Protection Agency or the Dispute Settlement Committee or an employee of either of them or an inspector acting on behalf of the Agency for any act done in good faith in the execution or the intended execution of any duty or power under this Law or the Executive Regulations or for any alleged neglect or default in the execution in good faith of any such duty or power.

Exception

(2) Subsection (1) does not apply to prevent an application for judicial review or a proceeding that is specifically provided for in this or any other Law. (Note: I am not sure if Egyptian law provides for a review of decisions made by statutory bodies)

Person not relieved of liability

(3) Subsection (1) does not relieve any person referred to in that subsection from liability for damage caused by negligence or action without authority and the person is liable for such damage in the same manner as if subsection (1) had not been enacted.

Protection from liability for reports

(4) No action or other proceeding shall be instituted against a person for making a report in good faith in respect of any matter required under the Law or the Executive Regulations.”

Article 23:

The Agency has asked whether it can define what constitutes a “legal action” or define what are “consumer interests” under Sub Article i in relation to class actions. It does not appear that there is

authority to do this in the Executive Regulations. It was suggested that the CPA should not try to define these matters on their own but rather should try to establish an informal committee of judges and lawyers who might look into how class actions suits might be dealt with by the courts in Egypt so as to avoid the problems that have resulted in this regard in the United States. It was suggested that the Agency look at the rules of court in various Canadian jurisdictions, e.g. Ontario to see how they deal with class action law suits.

It should be noted that although consumer protection associations can bring legal actions related to consumers' interests, they are prohibited from receiving donations, etc. from suppliers or advertisers. However they are not prohibited from sharing in the profits of a class action law suit. It is important that this issue be addressed as it is the profit motive by lawyers in the United States that has caused the significant increase in class action law suits in that country.

This may require an amendment to the Law to clarify the situation.

Article 25:

The Executive Regulations should set out those criteria that are required to be met under this Article before the Chairperson can settle with an accused, e.g. the vendor may be required to take back the defective article, refund the consumers money and admit that he is at fault (form of plea bargain). This will remove any perception that the decision is subjective, that decisions are being carried out behind closed doors or that the decision maker is subject to bribery. (despite the fact that by admitting liability, a vendor may be open to civil liability, a civil action is unlikely to happen in Egypt as civil cases take many years to work their way through the courts and are unlikely to result in much compensation for the plaintiff.)

The Executive Regulations should set out maximum amounts of fines for different classes of violations.

Appendix 4 – Consolidated Executive Regulations

**Decree of
The Minister of Trade and Industry
No. () of 2006**

On the Enactment of the Executive Regulations of the Consumer Protection Law
Issued By Law (67) of 2006

Minister of Trade and Industry
After reviewing the Constitution, and
The Consumer Protection Law no. 67/2006

Has Decreed,

Article 1

The attached provisions of the Executive Regulations of the Consumer Protection Law issued by
Law (67) of 2006 shall be applicable.

Article 2

This decision shall be published in the Official Gazette and shall be enforced as of the next day after
the date of publication.

Issued at the Ministry of Trade and Industry on _____ 1427 A.H.
(_____ 2006 A.D)

Minister of Trade and Industry

Rashid Mohamed Rashid

**The Executive Regulations of the Consumer Protection Law
Issued by Law no. (67) of 2006**

Part I

General Provisions and Definitions

(Chapter 1)

General Provisions

Article 1 The Law

For the purposes of the provisions of the Executive Regulations, "Law" shall mean the Consumer Protection Law issued by Law no. (67) of 2006, "Minister" shall mean the Minister of Trade and Industry, "Agency" shall mean the Consumer Protection Agency established according to the provisions of the Law, and "Board of Directors" shall mean the Consumer Protection Agency Board of Directors.

(Chapter 2)

Definitions

Article 2 Phrases and terms

For the purposes of the provisions of the Law and the Executive Regulations, the phrases and terms mentioned in the following articles shall have the meaning indicated therein.

Article 3 Connected Parties

For the purposes of the Law a person shall be deemed to be connected to another person if,

they are employer and employee;
they are legally recognized partners in business;
they are officers or directors of one another's business;
any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them.;
one of them directly or indirectly controls the other;
both of them are directly or indirectly controlled by a third person;
together they directly or indirectly control a third person;
one of them is a responsible manager in a firm belonging to the other; or
they are members of the same family (kinship up to the fourth grade).

Persons connected through a business relationship according to which one is the sole agent, distributor or franchise holder of the other shall be considered connected if any of these cases applies to them.

Part II

Obligations of Manufacturers, Importers and Suppliers -
Labeling and invoices

(Chapter 1)

Obligations of Manufacturers and Importers -Labels

Article 4 Information on Labels

For the purposes of Article 3 of the Law, in addition to the data required by Egyptian standards specifications, the following data shall be placed on the product by the manufacturer or the importer, as the case requires:

The name of the goods.

The country of origin of the goods.

The name of the manufacturer or the importer of the goods in addition to his or her trade name, address and trademark, if any.

The production and expiry dates of the goods.

The conditions of distribution and storage of the goods.

The kinds, features, dimensions, weights and ingredients of the goods.

Where the manufacturer warns against incorrect usage, a guideline shall be attached to indicating the appropriate usage of the goods.

Article 5 Form of labels

The manufacturer or the importer, as the case requires, shall place the data required by the Law and these Executive Regulations in a clear and legible manner, and in a way whereby the purpose of placing such data is achieved according to the nature of each product and the way of advertising or offering it, or signing a contract concerning it, subject to the following:

The data shall be written in Arabic, and may be written in two languages provided that one of them is Arabic.

The data shall be written by a stable substance that is hard to remove.

The data shall be written in a color different from the color of the background.

The name of the product shall be written in a manner distinguishing it from other data;

The data shall be written on the good itself, or if not applicable, on labels attached to the good or its container provided that the design, color or manner of attaching the label does not hide any other data.

(Chapter 2)

Obligations of the Supplier - Invoices

Article 6 Invoice to consumer

For the purposes of Article 4 of the Law the supplier shall put all the data identifying his or her character on all correspondences and documents issued by him or her in the course of dealing or contracting with the consumer, including,

the supplier's name, surname, nationality, address, chosen domicile in Egypt if not Egyptian and phone numbers;
in the case the supplier is a legal entity, the name of the entity, the legal representative or manager – as the case may be – in addition to the address and telephone numbers of the main center of the establishment ,as well as the address and telephone numbers of the branch in case the contract is issued is by it;
the commercial registry number of the supplier;
the supplier's trademark, if any; and
the supplier's tax file number.

Where the invoice is a credit card receipt, the invoice shall only contain the last 4 digits of the customers credit card number.

Article 7 Further information to consumer

The supplier shall provide the consumer, upon request and without cost to the consumer, an invoice that indicates that a contract was made concerning such product, and the invoice shall set out the following data:

The data mentioned in the article.

The consumer's name and surname.

The date of the contract concerning the product.

The product price.

The product kind, nature and features, and whether the product is a used good or not.

The product quantity, number and weight, according to the product nature and the manner and conditions of its circulation and marketing.

If the goods are used goods, how long the goods are anticipated to last before they wear out or will require repair.

The product code number, if any.

The period of guarantee on the part of the supplier and the limits of such guarantee.

The signature and seal of the supplier or his/her legal representative.

Article 8 Notification by supplier

Where a supplier is required to notify the Agency under Article 7 of the Law, notification shall be by the supplier or his or her representative by virtue of an official authorization, on the form prepared for that purpose, and the notice shall contain the following information:

The name of the person making the notification, capacity, surname, nationality, address and chosen domicile in the Arab Republic of Egypt, or the name, surname, address of the representative if he/she is the one who made the notification together with the authorization document attached.

The product (s) that is the subject matter of the notification.

The manufacturer's name and address.

The importer's name and address if the product is imported.

The date when the person making the notification discovers or becomes aware of the defect.

The accurate technical identification of the defect subject of the notification.

The potential damages that may occur as a result of the defect subject of the notification, and stating how it could be possible to prevent the damage or address the effects resulting from it. The procedures and means provided by the supplier to enable consumers, upon request, to replace, repair or return the product and reclaim their money, all without any further expenses. Any other data the supplier believes necessary to be included.

The notification shall be registered in a special record, with the pages numbered and sealed by the seal of the Agency. The person making the notification shall be given a receipt indicating that and including the number, date and time of the record.

[Note: Future Executive Regulations should differentiate between the various types of suppliers, e.g. manufacturers, wholesalers and vendors, since what goes on to an invoice could be different for each of them.]

(Chapter 3)

Article 9 Deceitful advertising

An advertisement for a product is considered deceitful if it includes false statements data, or any other matter that may, directly or indirectly, lead to deceiving or confusing consumers, no matter what the means of advertisement is. This applies to the following items jointly or severally:

The nature, composition, substantial characteristics, or contents (and amounts of each content) of the goods.

The origin, weight, method of manufacturing, expiry date, conditions and prohibitions of usage of the goods.

The type, location, prohibitions of usage and substantial features of the service whether in terms of its kind or the benefits of its usage.

The contract conditions, the value of the total price and the means of payment for the goods or service.

The producer of the goods or the provider of the service.

Any rewards, certificates, certification marks or other similar promotions.

any trade mark, data, or slogan.

The features of the product and the expected results from its usage

[NOTE: Article 9 above (with some minor amendments to the English translation) is from the original draft Executive Regulations however there appears to be sufficient authority to replace it with Articles 9 to 18 below which are taken from the Malaysian *Consumer Protection Act*]

Misleading and Deceptive Conduct, False Representation and Unfair Practice

Article 9 Interpretation

For the purposes of this Chapter,

(a) "false", "misleading" or "deceptive", in relation to conduct, representation or practice, includes conduct, representation or practice which is capable of leading a consumer into error; and

(b) "price", means consideration in any form, whether direct or indirect, and includes any consideration that in effect relates to the acquisition or supply of goods or services although

ostensibly relating to any other matter or thing in relation to any goods or services, and includes, despite to the generality of the foregoing,

(i) the aggregate of the sums required to be paid by a consumer for or otherwise in respect of the supply of the goods or services; or

(ii) except in SubArticles 12(3) and (4), any method which will be or has been applied for the purpose of determining the aggregate.

Article 10 Misleading conduct

No person shall engage in conduct that,

(a) in relation to goods, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, manufacturing process, characteristics, suitability for a purpose, or quantity, of the goods; or

(b) in relation to services, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, characteristics, suitability for a purpose, or quantity, of the services.

Article 11 False or misleading representation

(1) No person shall make a false or misleading representation that,

(a) the goods are of a particular kind, standard, quality, grade, quantity, composition, style or model;

(b) the goods have had a particular history or particular previous use;

(c) the services are of a particular kind, standard, quality or quantity;

(d) the services are supplied by any particular person or by any person of a particular trade, qualification or skill;

(e) a particular person has agreed to acquire the goods or services;

(f) the goods are new or reconditioned;

(g) the goods were manufactured, produced, processed or reconditioned at a particular time;

(h) the goods or services have any sponsorship, approval, endorsement, performance characteristics, accessories, uses or benefits;

(i) the person has any sponsorship, approval, endorsement or affiliation;

(j) concerns the need for any goods or services;

(k) concerns the existence, exclusion or effect of any condition, guarantee, right or remedy; or

(l) concerns the place of origin of the goods.

(2) In this Article, "quantity" includes length, width, height, area, volume, capacity, weight and number.

Article 12 False representation and other misleading conduct in relation to land

(1) No person shall in connection with the sale or grant or possible sale or grant of an interest in land or with the promotion by any means of the sale or grant of an interest in land,

(a) falsely represent that any person has any sponsorship, approval, endorsement or affiliation; or

(b) make a false or misleading representation concerning any or all of the following:

(i) the nature of the interest in the land;

(ii) the price payable for the land;

(iii) the location of the land;

(iv) the characteristics of the land;

(v) the use to which the land is capable of being put or may lawfully be put;

(vi) the existence or availability of facilities associated with the land.

(2) In this Article, "interest", in relation to land, means a registered or registrable interest in the land, and includes,

(a) a right of occupancy of the land or of a building or part of a building erected on the land, arising by virtue of the holding of shares or by virtue of a contract to purchase shares in a company that owns the land or building; or

(b) a right, power or privilege over or in connection with the land.

Article 13 Misleading indication as to price

(1) A person commits an offence,

(a) if he gives to a consumer an indication which is misleading as to the price at which any goods or services are available; or

(b) if an indication given by him to a consumer as to the price at which any goods or services are available becomes misleading and he fails to take reasonable steps to prevent the consumer from relying on the indication.

(2) For the purposes of SubArticle (1), it shall be immaterial,

(a) whether the person who gives the indication is acting on his own behalf or on behalf of another;

(b) whether or not the person who gives the indication is the person or included among the persons from whom the goods or services are available;

(c) whether the indication is or becomes misleading in relation to all the consumers to whom it is given or only in relation to some of them.

(3) For the purposes of this Article, an indication given to a consumer is misleading as to a price or a method of determining a price if what is conveyed by the indication, or what the consumer may reasonably be expected to infer from the indication or any omission from it, includes any of the following:

(a) that the price or method is not what in fact it is;

(b) that the applicability of the price or method does not depend on facts or circumstances on which it does in fact depend;

(c) that the price covers or the method takes into account matters in respect of which an additional charge is in fact made;

(d) that a person who in fact has no such expectation, expects -

(i) the price to be increased or reduced, whether or not at a particular time or by a particular amount;

(ii) the price, or the price as increased or reduced, as the case may be, to be maintained, whether or not for a particular period;

(iii) the method to be altered, whether or not at a particular time or in a particular respect; or

(iv) the method or the method as altered, as the case may be, to remain unaltered, whether or not for a particular period;

(e) that the facts or circumstances by reference to which the consumer may reasonably be expected to judge the validity of any relevant comparison made or implied by the indication are not what they in fact are.

(4) For the purposes of SubArticle (3)(e), a comparison is a relevant comparison in relation to a price or a method of determining a price, as the case may be, if the comparison is made between that price or method or any price which has been or may be determined by that method, and,

(a) any price or value that is stated or implied to be or to have been or to be likely to be attributed or attributable to the goods or services in question, or to any other goods or services; or

(b) any method or other method that is stated or implied to be or to have been or to be likely to be applied or applicable for the determination of the price or value of the goods or services in question, or of the price or value of any other goods or services.

Article 14 Bait and switch advertising

(1) No person shall advertise for supply at a specified price goods or services which that person,

(a) does not intend to offer for supply; or

(b) does not have reasonable grounds for believing can be supplied,

at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement.

(2) In a prosecution for a failure to offer goods or services to a consumer in accordance with SubArticle (1), it shall be a defence if the person charged proves that,

(a) he offered to supply or to procure another person to supply, to the consumer, within a reasonable time, goods or services of the kind advertised, in a reasonable quantity and at the advertised price, and where the offer is accepted by the consumer, that the person has so supplied or procured another person to supply, the goods or services; or

(b) he offered to supply to the consumer immediately, or to procure another person to supply to the consumer within a reasonable time, equivalent goods or services, in a reasonable quantity and at the advertised price, and where the offer is accepted by the consumer, that the person has so supplied or procured another person to supply, such equivalent goods or services.

Article 15 Gifts, prizes, free offers, etc.

(1) No person shall offer any gift, prize or other free item,

(a) with the intention of not providing it; or

(b) with the intention of not providing it as offered.

(2) No person shall in offering any gift, prize or other free item with the purchase of any goods or services, whether or not contingent on the purchase of other goods or services,

(a) charge more than the regular price for the goods or services to be purchased; or

(b) reduce the quantity or quality of the goods or services to be purchased.

(3) A person who offers a gift, prize or other free item may impose any reasonable condition on the offer.

(4) Where a person imposes a condition on the offer, he shall,

(a) describe the condition clearly;

(b) ensure that the description of the condition is conspicuously placed near the expression "free" or "free offer", as the case may be; and

(c) ensure that the print of the description of the condition is at least half as large as the print used for the expression "free" or "free offer".

(5) For the purposes of this Article,

"free" or "free offer" includes any expression of similar meaning;

"regular price" means the price at which similar goods or services are regularly sold on the market.

Article 16 Claim that goods are limited

(1) No person shall, in supplying or offering to supply goods for sale to consumers, describe the goods as limited unless their edition, printing, minting, crafting or production is restricted to,

(a) a pre-determined maximum quantity; or

(b) the actual quantity ordered or subscribed to within a specified and reasonably short period of time.

(2) A claim that goods are limited shall state clearly,

(a) the maximum quantity of goods which are offered for sale; and

(b) the specific time period or dates for which the goods are offered for sale.

(3) The statements required under SubArticle (2) shall be conspicuously placed near the claim.

Article 17 Demanding or accepting payment without intending to supply

No person shall demand for or accept, any payment or other consideration for goods or services, if at the time of the demand or acceptance that person,

(a) does not intend to supply the goods or services;

(b) intends to supply goods or services materially different from the goods or services in respect of which the payment or other consideration is demanded for or accepted; or

(c) does not have reasonable grounds to believe he will be able to supply the goods or services within any specified period, or where no period is specified, within a reasonable time.

Article 18 Presumption of liability for advertisement

Where the conduct or representation in relation to any goods or services is made or published in an advertisement, the advertisement shall be deemed to have been made by,

(a) the person who directly or indirectly claims to supply the goods or services;

(b) the person on whose behalf the advertisement is made;

(c) except where the advertiser is relieved from liability under Article 6 of the Law, the advertiser ; or

(c) all of them,

as the case may require, unless the contrary is proved.

[NOTE: It is not clear if there is sufficient authority under Article 6 of the Law to deal with liability for advertisements as set out above.]

[NOTE: There does not appear to be sufficient authority in the *Consumer Protection Law* to make regulations that deal with guarantees with respect to the supply of goods. It is suggested that the Consumer Protection Law be amended so that the following Articles taken from the Malaysian *Consumer Protection Act* with respect to implied guarantees can be added to the Executive Regulations (unless there is authority under some other Law of Egypt to make such regulations)]

GUARANTEES IN RESPECT OF SUPPLY OF GOODS

Section 32. Implied guarantee as to acceptable quality

(1) Where goods are supplied to a consumer there shall be implied a guarantee that the goods are of acceptable quality.

(2) For the purposes of subsection (1), goods shall be deemed to be of acceptable quality,

(a) if they are,

(i) fit for all the purposes for which goods of the type in question are commonly supplied;

(ii) acceptable in appearance and finish;

(iii) free from minor defects;

(iv) safe; and

(v) durable; and

(b) a reasonable consumer fully acquainted with the state and condition of the goods, including any hidden defects, would regard the goods as acceptable having regard to,

(i) the nature of the goods;

(ii) the price;

(iii) any statements made about the goods on any packaging or label on the goods;

(iv) any representation made about the goods by the supplier or the manufacturer; and

(v) all other relevant circumstances of the supply of the goods.

(3) Where any defects in the goods have been specifically drawn to the consumer's attention before he agrees to the supply, then, the goods shall not be deemed to have failed to comply with the implied guarantee as to acceptable quality by reason only of those defects.

(4) Where goods are displayed for sale or hire, the defects that are to be treated as having been specifically drawn to the consumer's attention for the purposes of subsection (3) shall be defects

disclosed on a written notice displayed with the goods.

(5) Goods shall not be deemed to have failed to comply with the implied guarantee as to acceptable quality if,

(a) the goods have been used in a manner or to an extent which is inconsistent with the manner or extent of use that a reasonable consumer would expect to obtain from the goods; and

(b) the goods would have complied with the implied guarantee as to acceptable quality if they had not been used in that manner or to that extent.

(6) A reference in subsections (3) and (4) to a defect is a reference to any failure of the goods to comply with the implied guarantee as to acceptable quality.

Section 33. Implied guarantee as to fitness for particular purpose

(1) Subject to subsection (2), the following guarantees shall be implied where goods are supplied to a consumer:

(a) that the goods are reasonably fit for any particular purpose that the consumer makes known, expressly or by implication, to the supplier as the purpose for which the goods are being acquired by the consumer; and

(b) that the goods are reasonably fit for any particular purpose for which the supplier represents that they are or will be fit.

(2) The implied guarantees referred to in subsection (1) shall not apply where the circumstances show that,

(a) the consumer does not rely on the supplier's skill or judgment; or

(b) it is unreasonable for the consumer to rely on the supplier's skill or judgment.

(3) This section shall apply whether or not the purpose is a purpose as to which the goods are commonly supplied.

Section 34. Implied guarantee that goods comply with description

(1) Where goods are supplied by description to a consumer, there shall be implied a guarantee that the goods correspond with description.

(2) A supply of goods is not prevented from being a supply by description by reason only that, being exposed for sale or hire, they are selected by a consumer.

(3) If the goods are supplied by reference to a sample or demonstration model as well as by description, the implied guarantees in this section and section 35 shall apply.

Section 35. Implied guarantee that goods comply with sample

(1) The following guarantees shall be implied where goods are supplied to a consumer by reference to a sample or demonstration model:

(a) that the goods correspond with the sample or demonstration model in quality; and

(b) that the consumer will have a reasonable opportunity to compare the goods with the sample or demonstration model.

(2) If the goods are supplied by reference to a description as well as by a sample or demonstration model, the implied guarantees in this section and section 34 shall apply.

Section 36. Implied guarantee as to price

(1) Where goods are supplied to a consumer, there shall be implied a guarantee that the consumer shall not be liable to pay to the supplier more than the reasonable price of the goods where the price for the goods is not,

(a) determined by the contract;

(b) left to be determined in a manner agreed by the contract; or

(c) left to be determined by the course of dealing between the parties.

(2) Where there is a failure to comply with the implied guarantee under subsection (1), the consumer's only right of redress shall be to refuse to pay more than the reasonable price.

(3) Nothing in Part VI shall be taken to confer on the consumer any other right of redress.

(4) For the purposes of this section, what is a "reasonable price" shall be a question of fact depending on the circumstances of each particular case, and where the price has been fixed under any written law, the reasonable price shall be as may be specified under that written law.

Section 37. Implied guarantee as to repairs and spare parts

(1) Where imported or locally manufactured goods are supplied to a consumer, there shall be implied a guarantee that the manufacturer and the supplier will take reasonable action to ensure that facilities for the repair of the goods and the supply of spare parts for the goods are reasonably available for a reasonable period after the goods are so supplied.

(2) Subsection (1) shall not apply where reasonable action has been taken to notify the consumer, at or before the time the imported or locally manufactured goods are supplied, that the manufacturer or the supplier or both does not undertake that repair facilities and spare parts will be available for those goods.

(3) Where reasonable action has been taken to notify the consumer, at or before the time the goods are supplied, that the manufacturer or supplier or both does not undertake that repair facilities and spare parts will be available for those goods after the expiration of a specified period, subsection (1)

shall not apply in relation to the imported or locally manufactured goods after the expiration of that period.

Section 38. Manufacturer's express guarantee

(1) An express guarantee given by a manufacturer of goods which are supplied to a consumer shall bind the manufacturer to the extent specified in subsections (2), (3) and (4).

(2) An express guarantee in respect of goods given by a manufacturer in a document binds the manufacturer where the document is given to a consumer with the actual or apparent authority of the manufacturer in connection with the supply by a supplier of those goods to the consumer.

(3) An express guarantee which is included in a document relating to the goods and which appears to have been made by the manufacturer of the goods shall, in the absence of proof to the contrary, be presumed to have been made by the manufacturer.

(4) Proof that a consumer was given a document containing express guarantees by a manufacturer in respect of goods in connection with the supply of those goods to the consumer shall, in the absence of proof to the contrary, constitute proof that the document was given to the consumer with the authority of the manufacturer.

(5) For the purposes of this section, "express guarantee", in relation to any goods, means an undertaking, assertion or representation in relation to,

(a) the quality, performance or characteristics of the goods;

(b) the provision of services that are or may at any time be required in respect of the goods;

(c) the supply of parts that are or may at any time be required for the goods;

(d) the future availability of identical goods, or of goods constituting or forming part of a set of which the goods in relation to which the undertaking, assertion or representation is given or made form part of; or

(e) the return of money or other consideration should the goods not meet any undertaking by the guarantor,

given or made in connection with the supply of the goods or in connection with the promotion by any means of the supply or use of the goods.

Part III

(Chapter 1)

Complaint and Mediation Process

Article 19 Complaint and mediation process

The rules and procedures for dealing with consumer protection complaints and the mediation in relation thereto shall be those rules and procedures set out in the Manual of Administration of the Agency.

Article 20 Self-initiation of complaint

The Agency may investigate any matter relating to consumer protection that is in the public interest as if it were a complaint initiated by a consumer.

(Chapter 2)

Duties of the Executive Manager

Article 21 Reviewing of complaints

The Executive Manager shall ensure that complaints are reviewed by staff of the Agency and that they include the necessary information and documents and that ineligible complaints are referred to the appropriate department.

Article 22 Procedures

The Executive Manager shall ensure that the appropriate department applies the necessary procedures set out in the Manual of Administration. In all cases, the Executive Manager may refer the complaints he receives to the concerned government authorities and follow up the progress reached thereby.

Article 23 Notification of violation

The Executive Manager shall, by a registered letter accompanied by an acknowledgement of receipt, ensure that the party in violation of an order (resolution?) and the consumer who filed the complaint are notified of the violation and the action taken by the Agency to resolve the complaint.

(Chapter 3)

Inspections – Judicial Inspectors

Article 24 Judicial Inspectors

Employees of the Agency having judicial inspection capacity shall hold identification cards proving such capacity and describing the jurisdiction thereof. Such identification card shall be shown to concerned parties.

Judicial inspectors may,

review registers and documents and access data and information at any government agency as necessary for the examination of complaints submitted to the Agency;
upon the written permission of the Agency's Executive Manager, and during official working hours, enter workplaces of persons subjected to inspection;
seek the help of police, if necessary;
take appropriate evidence-collection procedures and question persons about the commitment thereof of any Law violations; and
require persons being inspected to provide any information that is necessary to enable an inspector to decode, read and print any electronic data.

Article 25 Collection of samples

Despite any powers that a judicial inspector may have under any other Law, a judicial inspector may collect samples from stores, warehouses, and cold storage units. Procedures may be completed in factories, production units, public stores visited by consumers, and any other outlets where such commodities are offered for sale. Judicial inspectors, however, may not interfere with any production processes.

Article 26 Origin of samples

Immediately after accessing the establishment, judicial inspectors entrusted with collection of samples shall ask for the owner of the building or the person in charge thereof and shall require him or her to submit the documents proving the origin of the commodities under inspection. Upon submission, such documents shall be recorded in detail in the Sample Collection Report and shall be attached thereto. In case the owner of the establishment or the person in charge thereof fails to submit such documents, all commodities available shall be seized and a report shall be written on such seizure. Sample collection procedures shall then precede as stated above and as described in and the following articles.

Article 27 Testing of samples

Any sample that is collected by an inspector under this Executive Regulation may be tested in the following laboratories and any report of such laboratory shall be considered good and sufficient evidence before the Dispute Settlement Committee or any Court of law:

[The list should contain the names of the government laboratories that are used for testing and include laboratories operated by brand named companies. This will ensure that the courts recognize evidence that is obtained through laboratories operated by the government and the various members of the Brand Protection Group]

Article 28 Reports

The appropriate judicial inspector shall draft a report describing the conditions of the samples and proving the collection thereof in the presence of the owner of the building or the person in charge thereof. The report shall also include the procedures applied by the judicial inspector as previously described, and shall include in particular the following data:

Time, date, and place of writing the report.

Name and capacity of the author of the report and description of the order upon which he was entrusted with the task.

Name and capacity of the person against whom the procedures are applied (owner or person in charge).

Results of examining the place where commodities are stored.

Documents proving the origin of the commodities (a mark shall be put on such documents to prove they were reviewed and they shall be attached to the report).

Procedures taken by the author of the report to prepare the samples.

Signature of the owner of the building or the person in charge thereof or a proof that he or she refused to sign the report.

Article 29 Nature of Evidence

In all cases, judicial inspectors may only record actions, documents, and statements without describing them from the legal point of view (i.e., without trying to prove or disprove knowledge of fraud, satisfaction of factors of intentional negligence or carelessness).

(Chapter 4)

Dispute Settlement Committee

Article 30 Rules of Practice and Procedure

The Rules of Practice for the Dispute Settlement Committee shall be those Rules made by the Committee from time to time.

Article 31 Decision of Committee

Any decision made by the Committee shall have the same effect of a judgment of a court of first instance and after the period for appeal has expired and the matter is not appealed, is deemed to be an executive order.

(Chapter 5)

Inspectorate

Article 32 Inspectorate Committee

The Agency shall oversee an Inspectorate Committee that shall,

ensure co-ordination of activities and co-operation among inspectors in departments and agencies of the Government of Egypt that relate to consumer protection issues;
resolve conflicts existing or that may arise in the course of the control functions by those departments and agencies;
resolve gaps and address overlaps in the inspection process in Egypt; and
train inspectors in the enforcement of the Law and this Executive Regulation.

Article 33 Composition of Inspectorate Committee

The Inspectorate Committee shall be composed of the following persons:

A Chairman to be nominated by the Chairman of the Agency.

A representative each from the following departments and agencies:

Health.

Agriculture

Trade and Industry, etc

Appendix 5 – Comments and Changes to the Executive Regulations with Highlights

August 24, 2006

August 24, 2006

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Appendix 5

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Comments and Changes to the Executive Regulations with Highlights

Decree of
The Minister of Trade and Industry
No. () of 2006
On the Enactment of the Executive Regulations of the Consumer Protection Law
Issued By Law (67) of 2006

Minister of Trade and Industry
After reviewing the Constitution, and
The Consumer Protection Law no. 67/2006

Has Decreed.

Article 1

The attached provisions of the Executive Regulations of the Consumer Protection Law issued by Law (67) of 2006 shall be applicable.

Article 2

This decision shall be published in the Official Gazette and shall be enforced as of the next day after the date of publication.

Issued at the Ministry of Trade and Industry on 1427 A.H.
(2006 A.D)

Minister of Trade and Industry

Rashid Mohamed Rashid

The Executive Regulations of the Consumer Protection Law
Issued by Law no. (67) of 2006

Part I
General Provisions and Definitions

(Chapter 1)

General Provisions

Article 1 The Law

For the purposes of the provisions of the Executive Regulations, "Law" shall mean the Consumer Protection Law issued by Law no. (67) of 2006, "Minister" shall mean the Minister of Trade and Industry, "Agency" shall mean the Consumer Protection Agency established according to the provisions of the Law, and "Board of Directors" shall mean the Consumer Protection Agency Board of Directors.

Article 2

Engaging in economic activity shall be in a way that does not violate the fundamental consumer rights, according to the provisions of the Law and the Executive Regulations, and without prejudice to the international agreements and treaties applicable in Egypt. **This article is unnecessary as it is already set out in Article 2 of the Law**

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Definitions

Article 3 Phrases and terms

For the purposes of the provisions of the Law and the Executive Regulations, the phrases and terms mentioned in the following articles shall have the meaning indicated therein.

As a general principle of law, regulations can not redefine what is already defined in the Act except where there is specific authority to do so ... It is also not necessary to define in the Executive Regulations words that are already defined in the Act. Therefore the definitions of "persons", "consumer", "supplier", "advertiser" and "societies" have been removed from the Executive Regulations.

Article 4 (Persons)

"Persons" shall mean natural persons and legal persons, including all kinds of companies, economic entities, societies, unions, institutions, establishments, associations, financial assemblies and person assemblies regardless of their manner of their establishment, the means of financing such persons, their nationalities, their administration centers or their activities main centers.

The "persons" aforementioned in the first paragraph shall, *inter alios*, include the related parties comprised of two or more persons, each of an independent legal entity, and the majority of the shares of one of them is, directly or indirectly, owned by the other party, or is owned by a single party.

The related parties shall, *inter alios*, include the person(s) who are subject to actual control by another person, and actual control means any situation, agreement, or ownership of any shares regardless of the percentage thereof, in a manner that leads to controlling the administration or decision making". (To be deferred)

Article Connected Parties

For the purposes of the Law a person shall be deemed to be connected to another person if:

- I. they are employer and employee;
- II. they are legally recognized partners in business;
- III. they are officers or directors of one another's business;
- IV. any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them.;
- V. one of them directly or indirectly controls the other;
- VI. both of them are directly or indirectly controlled by a third person;
- VII. together they directly or indirectly control a third person;
- VIII. one of them is a responsible manager in a firm belonging to the other; or
- IX. they are members of the same family (kinship up to the fourth grade).

Persons connected through a business relationship according to which one is the sole agent, distributor or franchise holder of the other shall be considered connected if any of these cases applies to them.

Article 5 (Consumer)

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Any natural person whether individual or a group related in terms of family or professional relationships, or by any other means and do not enjoy a legal entity, shall be provided by a product to answer their personal or family needs, or shall be dealt or contracted with in this concern. (To be deferred)

Article 6 (Supplier)

Any natural or legal person providing a service, or producing, importing, distributing, offering, circulating, trading in, or dealing with a product for the purpose of providing it to the consumer, or contracting or dealing with it by any means including electronic means or any other modern technological means.

Article 7 (Advertiser)

Any natural or legal person advertising or promoting a good or service directly or indirectly by any means, including electronic means or any other modern technological means.

Article 8 (Societies)

Societies, non-governmental organizations and their unions that are published in accordance with the provisions of the law on societies and non-governmental organizations, which are mainly or collaterally concerned with consumer protection. The society is deemed as mainly concerned with consumer protection if the main purpose of the establishment thereof is to work in the consumer protection field, whereas the society is deemed as collaterally concerned with consumer protection if the purpose of consumer protection is only one of the fields of its work.

Part II

Obligations of ProducerManufacturers, or Importers and Suppliers - And Suppliers and Service ProvidersLabeling and invoices

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(Chapter 1)

Obligations of the ProducerManufacturers andor the Importers

Article 94 Information on Labels

For the purposes of Article 3 of the Law , in addition to the data required by Egyptian standards specifications, the following data shall be placed on the product by the The producermanufacturer or the importer shall, as the case requiresmay be, place on the product the data required by the Egyptian standard specifications or any other law in addition to the following data:

1. the name of the goods
2. the country of origin
3. the name of the manufacturer product, or the importer in addition to his or /her trade name, address and trademark, if any
4. the production and expiry dates
5. the conditions of distribution and storage
6. the kinds, features, dimensions, weights and ingredients.

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Where In case the producermanufacturer warns against incorrect usage, a guideline shall be attached to indicating the appropriate way of usage.

Article 10 Form of labels

The producermanufacturer or the importer shall, as the case requiresmay be, shall place the data required by the Law and these Executive Regulations in a clear and legible manner, and in a way whereby the purpose of placing such data is achieved according to the nature of each product and the way of advertising or offering it, or signing a contract concerning it, subject to the following:

- the data shall be written in Arabic, and may be written in two languages provided that one of them is Arabic;
- the data shall be written by a stable substance that would be hard to remove;
- the data shall be written in a color different from the color of the background;
- the name of the product shall be written in a manner distinguishing it from other data;
- the data shall be written on the good itself, or if not applicable, on labels attached to the good or its container provided that the design, color or manner of attaching the label does not hide any other data.

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The producer or the importer shall not put any data that may lead to deceiving or confusing the consumer, as the case may be. Deception is dealt with in the Articles below that deal with false and misleading representations and advertising.

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Chapter

MISLEADING AND DECEPTIVE CONDUCT, FALSE REPRESENTATION AND UNFAIR PRACTICE

Note that there is no authority in the Law to set out requirements with respect to false advertising or false representations. The Law only refers to labeling and invoices. Therefore the following Articles should therefore be added to the Law at the earliest opportunity or in the alternative the Law should be amended to permit these matters to be addressed in the Executive Regulations.

Article 11

An advertisement for a product is considered deceitful if such includes false statements data, or any other matter that may, directly or indirectly, lead to deceiving or confusing consumers, no matter what the means of advertisement is. This applies to the following items collectively or severally:

- Nature, composition, substantial characteristics, or contents (and amounts of each content) of the good
- Origin, weight, method of manufacturing, expiry date, conditions and prohibitions of usage
- Type, location, prohibitions of usage and substantial features of the service whether in terms of its kind or the benefits of its usage
- Contract conditions, the value of the total price and the means of payment
- The producer of the good or the provider of the service
- Rewards, certificates, certification marks and others
- Trade mark, data, or slogans
- The features of the product and the expected results from its usage

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Article 8. Interpretation

For the purposes of this Chapter,

(a) "false", "misleading" or "deceptive", in relation to conduct, representation or practice, includes conduct, representation or practice which is capable of leading a consumer into error; and

(b) "price", means consideration in any form, whether direct or indirect, and includes any consideration that in effect relates to the acquisition or supply of goods or services although ostensibly relating to any other matter or thing in relation to any goods or services, and includes, despite to the generality of the foregoing,

(i) the aggregate of the sums required to be paid by a consumer for or otherwise in respect of the supply of the goods or services; or

(ii) except in SubArticles 12(3) and (4), any method which will be or has been applied for the purpose of determining the aggregate.

Article 9. Misleading conduct

No person shall engage in conduct that,

(a) in relation to goods, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, manufacturing process, characteristics, suitability for a purpose, or quantity, of the goods; or

(b) in relation to services, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, characteristics, suitability for a purpose, or quantity, of the services.

Article 10. False or misleading representation

(1) No person shall make a false or misleading representation that,

(a) the goods are of a particular kind, standard, quality, grade, quantity, composition, style or model;

(b) the goods have had a particular history or particular previous use;

(c) the services are of a particular kind, standard, quality or quantity;

(d) the services are supplied by any particular person or by any person of a particular trade, qualification or skill;

(e) a particular person has agreed to acquire the goods or services;

(f) the goods are new or reconditioned;

(g) the goods were manufactured, produced, processed or reconditioned at a particular time;

(h) the goods or services have any sponsorship, approval, endorsement, performance characteristics, accessories, uses or benefits;

(i) the person has any sponsorship, approval, endorsement or affiliation;

(j) concerns the need for any goods or services;

(k) concerns the existence, exclusion or effect of any condition, guarantee, right or remedy;
or

(l) concerns the place of origin of the goods.

(2) In this Article, "quantity" includes length, width, height, area, volume, capacity, weight and number.

Article 11. False representation and other misleading conduct in relation to land

(1) No person shall in connection with the sale or grant or possible sale or grant of an interest in land or with the promotion by any means of the sale or grant of an interest in land,

(a) falsely represent that any person has any sponsorship, approval, endorsement or affiliation; or

(b) make a false or misleading representation concerning any or all of the following:

(i) the nature of the interest in the land;

(ii) the price payable for the land;

(iii) the location of the land;

(iv) the characteristics of the land;

(v) the use to which the land is capable of being put or may lawfully be put;

(vi) the existence or availability of facilities associated with the land.

(2) In this Article, "interest", in relation to land, means a registered or registrable interest in the land, and includes,

(a) a right of occupancy of the land or of a building or part of a building erected on the land, arising by virtue of the holding of shares or by virtue of a contract to purchase shares in a company that owns the land or building; or

(b) a right, power or privilege over or in connection with the land.

Article 12. Misleading indication as to price

(1) A person commits an offence,

(a) if he gives to a consumer an indication which is misleading as to the price at which any goods or services are available; or

(b) if an indication given by him to a consumer as to the price at which any goods or services are available becomes misleading and he fails to take reasonable steps to prevent the consumer from relying on the indication.

(2) For the purposes of SubArticle (1), it shall be immaterial,

(a) whether the person who gives the indication is acting on his own behalf or on behalf of another;

(b) whether or not the person who gives the indication is the person or included among the

persons from whom the goods or services are available;

(c) whether the indication is or becomes misleading in relation to all the consumers to whom it is given or only in relation to some of them.

(3) For the purposes of this Article, an indication given to a consumer is misleading as to a price or a method of determining a price if what is conveyed by the indication, or what the consumer may reasonably be expected to infer from the indication or any omission from it, includes any of the following:

(a) that the price or method is not what in fact it is;

(b) that the applicability of the price or method does not depend on facts or circumstances on which it does in fact depend;

(c) that the price covers or the method takes into account matters in respect of which an additional charge is in fact made;

(d) that a person who in fact has no such expectation, expects -

(i) the price to be increased or reduced, whether or not at a particular time or by a particular amount;

(ii) the price, or the price as increased or reduced, as the case may be, to be maintained, whether or not for a particular period;

(iii) the method to be altered, whether or not at a particular time or in a particular respect; or

(iv) the method or the method as altered, as the case may be, to remain unaltered, whether or not for a particular period;

(e) that the facts or circumstances by reference to which the consumer may reasonably be expected to judge the validity of any relevant comparison made or implied by the indication are not what they in fact are.

(4) For the purposes of SubArticle (3)(e), a comparison is a relevant comparison in relation to a price or a method of determining a price, as the case may be, if the comparison is made between that price or method or any price which has been or may be determined by that method, and -

(a) any price or value that is stated or implied to be or to have been or to be likely to be attributed or attributable to the goods or services in question, or to any other goods or services; or

(b) any method or other method that is stated or implied to be or to have been or to be likely to be applied or applicable for the determination of the price or value of the goods or services in question, or of the price or value of any other goods or services.

Article 13. Bait and switch advertising

(1) No person shall advertise for supply at a specified price goods or services which that person,

(a) does not intend to offer for supply; or

(b) does not have reasonable grounds for believing can be supplied,

at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement.

(2) In a prosecution for a failure to offer goods or services to a consumer in accordance with SubArticle (1), it shall be a defence if the person charged proves that,

(a) he offered to supply or to procure another person to supply, to the consumer, within a reasonable time, goods or services of the kind advertised, in a reasonable quantity and at the advertised price, and where the offer is accepted by the consumer, that the person has so supplied or procured another person to supply, the goods or services; or

(b) he offered to supply to the consumer immediately, or to procure another person to supply to the consumer within a reasonable time, equivalent goods or services, in a reasonable quantity and at the advertised price, and where the offer is accepted by the consumer, that the person has so supplied or procured another person to supply, such equivalent goods or services.

Article 14. Gifts, prizes, free offers, etc.

(1) No person shall offer any gift, prize or other free item,

(a) with the intention of not providing it; or

(b) with the intention of not providing it as offered.

(2) No person shall in offering any gift, prize or other free item with the purchase of any goods or services, whether or not contingent on the purchase of other goods or services,

(a) charge more than the regular price for the goods or services to be purchased; or

(b) reduce the quantity or quality of the goods or services to be purchased.

(3) A person who offers a gift, prize or other free item may impose any reasonable condition on the offer.

(4) Where a person imposes a condition on the offer, he shall,

(a) describe the condition clearly;

(b) ensure that the description of the condition is conspicuously placed near the expression

"free" or "free offer", as the case may be; and

(c) ensure that the print of the description of the condition is at least half as large as the print used for the expression "free" or "free offer".

(5) For the purposes of this Article,

"free" or "free offer" includes any expression of similar meaning;

"regular price" means the price at which similar goods or services are regularly sold on the market.

Article 15. Claim that goods are limited

(1) No person shall, in supplying or offering to supply goods for sale to consumers, describe the goods as limited unless their edition, printing, minting, crafting or production is restricted to,

(a) a pre-determined maximum quantity; or

(b) the actual quantity ordered or subscribed to within a specified and reasonably short period of time.

(2) A claim that goods are limited shall state clearly,

(a) the maximum quantity of goods which are offered for sale; and

(b) the specific time period or dates for which the goods are offered for sale.

(3) The statements required under SubArticle (2) shall be conspicuously placed near the claim.

Article 16. Demanding or accepting payment without intending to supply

No person shall demand for or accept, any payment or other consideration for goods or services, if at the time of the demand or acceptance that person,

(a) does not intend to supply the goods or services;

(b) intends to supply goods or services materially different from the goods or services in respect of which the payment or other consideration is demanded for or accepted; or

(c) does not have reasonable grounds to believe he will be able to supply the goods or services within any specified period, or where no period is specified, within a reasonable time.

Article 17. Future services contract

(1) For the purposes of this Article, "future services contract" means a contract for consumer services that will be provided on a continuing basis and as prescribed by the Minister from time to time.

(2) A consumer who cancels a future services contract may be charged by the supplier the following amount:

(a) five percent of the full contract price;

(b) the cost of any goods the consumer used or is keeping; or

(c) the portion of the full contract price representing services received by the consumer.

(3) Where the consumer has paid the supplier more money than the supplier is entitled to charge under SubArticle (2)(a), (b) or (c), the supplier shall refund the extra payment or make a refund available, within fourteen days of cancellation.

(4) A cancellation of a future services contract shall take effect.

(a) at the time at which the cancellation is communicated to the supplier; or

(b) where it is not reasonably practicable to communicate with the supplier, at the time at which the consumer indicates to the supplier, by means which are reasonable in the circumstances, his intention to cancel the future services contract.

(5) Subject to SubArticle (6), a cancellation of the future services contract may be communicated by words or conduct or both which indicate the intention of the consumer to cancel the contract, and it shall not be necessary to use any particular form of words, as long as the intention to cancel is clear.

(6) Where it is reasonably practicable to communicate with the supplier, subArticle (5) shall take effect subject to any express provision in the future services contract requiring notice of cancellation to be in writing.

Article 18. Presumption of liability for advertisement

Where the conduct or representation in relation to any goods or services is made or published in an advertisement, the advertisement shall be deemed to have been made by,

(a) the person who directly or indirectly claims to supply the goods or services;

(b) the person on whose behalf the advertisement is made; or

(c) both of them.

as the case may require, unless the contrary is proved.

DEFENCES AND REMEDIES

Article 26. Contravention caused by act or default of another person

Where a contravention is due to the act or default of another person, that other person shall be

deemed to have committed of the contravention and may be charged with and convicted of the contravention whether or not proceedings are taken against the first-mentioned person.

Article 27. Defence of mistake, accident, etc.

In any proceedings for a contravention, it shall be a defence for the person charged to prove,

(a) that the contravention was due to -

(i) a reasonable mistake on his part;

(ii) reasonable reliance on information supplied to him;

(iii) the act or default of another person;

(iv) an accident; or

(v) a cause beyond his control; and

(b) that he took reasonable precautions and exercised all due diligence to avoid such contravention by himself or by any person under his control.

Article 28. Defence of innocent publication of advertisement

Where a contravention is committed by the publication of an advertisement, it shall be a defence in any proceedings for the contravention for the person charged to prove that,

(a) his business is that of publishing or arranging for the publication of advertisements; and

(b) he received the advertisement or the information contained in the advertisement, as the case may be, for publication in the ordinary course of business; and

(c) he did not know and had no reason to suspect that the publication of the advertisement would constitute an offence.

(Chapter II)
Obligations of the Supplier - Invoices

Article 12 Invoice to consumer

For the purposes of Article 3 of the Law Tthe supplier shall put all the data identifying his/ or her character on all the correspondences and documents invoices issued by him or her in the course of dealing or contracting with the consumer, – including, electronic documents, especially the following data:

- The supplier's name, surname, nationality, address, chosen domicile in Egypt if not Egyptian and phone numbers;
- In the case the supplier is a legal entity, the name of the entity, the legal representative or manager – as the case may be – in addition to the address and telephone numbers of the main center of the establishment ,as well as the address and telephone numbers of the branch in case the contract is issued is by it;
- The commercial registry number of the supplier;
- The supplier's trademark, if any;
- The supplier's tax file number.

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Article 13 Further information to consumer

The supplier shall is obliged to provide the consumer, – upon request and without cost to the consumer, – with an invoice receipt that indicates that a contract was made concerning such product, and the invoice shall set out provided that the receipt, particularly, includes the following data:

- The data mentioned in the article;
- The consumer's name and surname;
- The date of the contract concerning the product;
- The product price;
- The product kind, nature and features, and whether the product is a used good or not;
- The product quantity, number and weight, according to the product nature and the manner and conditions of its circulation and marketing;
- If the goods are used goods, how long the goods are anticipated to last before they wear out or will require repair
- The product code number, if any;
- The period of guarantee on the part of the supplier and the limits of such guarantee;
- The signature and seal of the supplier or his/her legal representative.

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All without incurring any further financial or non-financial burden on the part of the consumer. [See above]

Article 14

The supplier of used goods shall be obliged to provide sufficient information on their status and how far they may need repair before usage, in a manner that meets the requirements of health and safety.[See above]

Article 15

The supplier shall, within a maximum of seven days of discovering or becoming aware of a defect in a certain product, notify the Agency of such defect and its potential damages. **This Article is not required as it is already set out in Article 7 of the Law.**

Article Notification by supplier

Where a supplier is required to notify the Agency under Article 7 of the Law, notification shall be by the Notification of the Consumer Protection Agency shall be by the supplier or his or /her representative by virtue of an official authorization, on the form prepared for that purpose, and the notice shall contain the following information;particularly including the following:

1. The notifier's name, capacity, surname, nationality, address and chosen domicile in the Arab Republic of Egypt, or the name, surname, address of the representative if he/she is the one who made the notification together with the authorization document attached;
2. The product (s) that is the subject matter of the notification;
3. The producermanufacturer's name and address;
4. The importer's name and address if the product is imported;
5. The date when the notifier discovers or becomes aware of the defect;
6. The accurate technical identification of the defect subject of the notification;
7. The potential damages that may occur as a result of the defect subject of the notification, and stating how it could be possible to prevent the damage or address the effects resulting from it;
8. The procedures and means provided by the supplier to enable consumers, upon request, to replace, repair or return the product and reclaim their money, all without any further expenses;
9. Any other data the supplier believes necessary to be included.

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The notification shall be registered in a special record, with the pages numbered and sealed by the seal of the Agency. The notifier shall be given a receipt indicating that and including the number, date and time of the record.

Article 16

The supplier is obliged, upon discovering or becoming aware of the defect in the product that may lead to endangering the health or safety of the consumer, to notify the Agency of such defect and its potential damages, to suspend the production of or dealing with such product in all forms, take the procedures necessary to suspend its circulation or marketing, and to warn consumers against the use of such product.

The notification shall be in accordance with the conditions and procedures set forth in the preceding Article. **This Article is not required as it is already set out in Article 7 of the Law and the preceding Article of the Executive Regulations.**

Part III
(Chapter 1)
Meetings and System of the Agency Board of Director

Article 17

The Agency shall be managed by a Board of Directors comprising of a dedicated chairperson and 14 members, and shall be constituted in accordance with the provisions of Article (12) of the Law.
This Article is not necessary as it is already set out in Article 13 of the Law.

The Board of Directors shall have a technical secretariat to be established and operated by a decision of the Board. **This should be part of the by-laws authorized under Article 16 of the Law.**

Article 18

The Board of Directors shall convene upon call of the Chairperson or his deputy at least once a month and whenever necessary. It shall also convene upon the request of two thirds of the members. **This Article is not necessary as it is already set out in Article 14 of the Law.**

The call for meeting shall be sent in writing at least four days before the meeting due date, with the agenda attached. **This should be part of the by-laws authorized under Article 16 of the Law.**

The meeting of the Board of Directors shall be valid by the attendance of nine members. The decisions shall be taken by absolute majority of the attendees, and shall be final without approval. **This Article is not necessary as it is already set out in Article 14 of the Law.**

Article 19

No member of the Board of Directors may participate in the deliberations or voting in case where such member or a representative thereof has direct or indirect interest therein, has litigation or a kinship of the fourth degree with a party thereto or represented or is representing a party thereto. **This Article is not necessary as it is already set out in Article 14 of the Law.**

The member is obliged to state in writing any of the abovementioned matters before starting the deliberations or voting regarding the matter concerned, and deliver such statement to the chairperson of the meeting, who signs a copy indicating delivery. **This should be part of the by-laws authorized under Article 16 of the Law.**

Article 20

The Board may, at its discretion, hire experts for the meetings thereof. Such experts may not have countable votes. **This Article is not necessary as it is already set out in Article 14 of the Law.**

and shall be invited by the Chairman at least two (2) days prior to the specified meeting by any means of notification. **This should be part of the by-laws authorized under Article 16 of the Law.**

Article 21

Minutes of Board meetings shall be regularly recorded in a special register with serial-numbered pages. Such minutes shall receive the seal of the Agency and shall be signed by the Chairman and the Secretary. **This should be part of the by-laws authorized under Article 16 of the Law.**

Part III
(Chapter 2)
Board Competencies and Chairman

Article 22

The Board shall be competent to:

accept donations, gifts, or any other resources, so long as such do not contradict with the Board's objectives; **This Article is not necessary as it is already set out in Article 20 of the Law.**

- a) _____
- b) craft regulations to organize the workflow of the Agency and the financial and administrative affairs of employees, such regulations may not be restricted to the rules governing civil servants, and shall be submitted to the appropriate minister for approval; **This should be part of the by-laws authorized under Article 16 of the Law.**
- c) nominate employees for the title of "judicial inspector" which is necessary for enforcing laws. Judicial inspectors shall be appointed upon a decree from the Minister of Justice in coordination with the appropriate minister;
- d) form the committees enumerated in Article 17 of the Law, which shall be responsible for settling the disputes that may arise between consumers and suppliers/advertisers as a result of the implementation of the Law's provisions;

nominate the expert member of the Committee referred to in Article 17 of the Law; **These Articles are not necessary as they are already set out in Article 17 of the Law.**

- e) _____
- f) approve the Agency's Annual Activities Report;
- g) comment on draft laws and regulations related to the protection of consumers and the basic rights thereof; and **These should be part of the by-laws authorized under Article 16 of the Law.**

appoint an Executive Manager for the Agency upon the nomination of the Chairman, and determine the remuneration thereof. **This Article is not necessary as it is already set out in Article 15 of the Law.**

- h) _____

In addition, the Board shall have all the competencies set forth in the Law and the following articles. **Not necessary.**

Article 23

The Board may entrust one of its members, or a committee formed of some of the members thereof, to perform a certain duty or supervise any of the Agency's activities. Reports on such duty or supervision shall be drafted and submitted to the Board for review. **This should be part of the by-laws authorized under Article 16 of the Law.**

Article 24

The Board shall be competent to:

- a) coordinate matters of joint interest with counterpart agencies in other countries, such matters shall be reviewed by the Board; **This Article should be part of the by-laws authorized under Article 16 of the Law.**

- b) draft an annual report on the Agency's activities, future plans, and suggestions, and submit such report to the Board for approval; **This should be part of the by-laws authorized under Article 16 of the Law.**
- c) nominate the Agency's Executive Manager, and inform the Board of such nomination so that a decision may be made for the appointment thereof;
- d) supervise the laying down of plans and work programs necessary for consumer protection, and work on furthering and improving consumer protection;
- e) supervise the studies conducted by the Agency in light of the suggestions and recommendations it receives as regards to the protection of consumer rights and conduct researches in this respect; and
- f) reach conciliation with defendants (before a final court judgment is delivered) in return for a minimum amount of ten thousand pounds. **These Articles are not necessary as they are already set out in Articles 12, 15 and 24 of the Law.**

Part IV
Submission of Complaints and Procedures for
Examining and Responding Thereto

(Chapter 1)
Submission of Complaints

All materials dealing with the handling of complaints should be placed into a Manual of Administration that sets out the entire complaint and mediation process and that can be readily changed from time to time.

Article 25

Consumers and consumer protection societies may submit complaints to the Agency as regards any violations of the Law. The Agency may receive no fees for the complaints submitted thereto or for the procedures taken in response to the complaint... This Article is not necessary as it is already set out in Articles 12 and 20 of the Law.

Article 26

Complaints shall be submitted to the Agency in writing together with the following information and documents:

- Name, address, profession, capacity of complainant; and interest thereof to submit the complaint, and documents supporting his claim;
- Name, address, and business of respondent;
- Type of the violation subject of the complaint;
- Pieces of evidence and documents supporting the complaint (if any);
- Description of the harm inflicted upon complainant (if any).

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The Agency may ignore any complaint that does not meet these requirements.
This Article should form part of the Manual of Administration referred to above.

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(Chapter 2)
Procedures for Examination of Complaints

All materials in Articles 27, 28 and 30 dealing with the handling of complaints should be placed into a Administrative Manual of Administration that sets out the entire complaint and mediation process and that can be readily changed from time to time.

Complaint and Mediation Process

Article Complaint and mediation process

The rules and procedures for dealing with consumer protection complaints and the mediation in relation thereto shall be those rules and procedures set out in the Manual of Administration of the Agency.

Article 27

The Agency shall examine the complaints submitted thereto either by consumers or consumer protection societies in the manner described hereunder.

Article 28

Upon receipt, complaints shall be recorded in the Register assigned for this effect. The complainant shall receive a receipt with a date and a serial number on it. Procedures, decisions, and judgments related to the complaint shall also be regularly recorded in the Register.

Duties of the Executive Manager

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Article 29 Reviewing of complaints

The Executive Manager shall ensure that Ccomplaints shall be are reviewed by staff of the Agency by the Executive Manager to check whether to make they include the necessary information and documents described in Article () hereof, and that shall refer ineligible complaints are referred to the appropriate department, after informing the Chairman of the Agency of such reference. **It is important that the Chairman and the Executive Manager each stick to their respective roles and responsibilities, i.e. the Chairman oversees the Board and helps them to set the policies that are to be implemented by the Agency. The Executive Manager is like the CEO of a corporation and is responsible for overseeing the staff of the Agency and to ensure that the day to day operations of the Agency are running smoothly.**

Article 30 Procedures

The appropriate department shall immediately examine the complaints referred thereto by the Executive Manager within a period of not more than 30 days. A report shall be drawn up of all the procedures taken in connection to such complaints.

The Executive Manager shall ensure thatalso require the appropriate department to applies the necessary procedures set out in the Manual of Administration. when so decided by the Chairman of the Agency. In all cases, the Executive Manager may refer the complaints he receives to the concerned government authorities and follow up the progress reached thereby.

Article Notification of violation

The Executive Manager shall, by a registered letter accompanied by an acknowledgement of receipt, ensure that the party in violation of an order(resolution?) and the consumer who filed the complaint are notified of the violation and the action taken by the Agency to resolve the complaint.

Only staff of the Agency should be dealing with the day to day issues, not the Board.

Inspections – Judicial Inspectors

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Note that there is no authority in the Law to set out the duties and functions of judicial inspectors. The Law only states that they have the “authority of a law enforcement officer”. Articles 31 to 35 should therefore be added to the Law at the earliest opportunity or in the alternative the Law should be amended to permit these matters to be addressed in the Executive Regulations.

Article 31

Employees of the Agency having judicial inspection capacity shall hold identification cards proving such capacity and describing the jurisdiction thereof. Such identification card shall be shown to concerned parties.

Judicial inspectors may:

1. Review registers and documents and access data and information at any government agency as necessary for the examination of complaints submitted to the Agency.
2. Have access, upon the written permission of the Agency’s Executive Manager, and during official working hours, to workplaces of persons subjected to inspection. Judicial inspectors may also seek the help of police, if necessary.
3. Take appropriate evidence-collection procedures and question persons about the commitment thereof of any Law violations.

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Article 32

Without prejudice to the jurisdiction of the judicial inspectors responsible for applying the provisions of the Law in connection to inspecting production and circulation of commodities by virtue of other laws, samples may be collected from stores, warehouses, and cold storage units. Procedures may be completed in factories, production unites, public stores visited by consumers, and any other outlets where such commodities are offered for sale. Judicial inspectors, however, may not interfere with any production processes.

Article 33

Immediately after accessing the establishment, judicial inspectors entrusted with collection of samples shall ask for the owner of the building or the person in charge thereof and shall require him/her to submit the documents proving the origin of the commodities under inspection. Upon submission, such documents shall be recorded in detail in the Sample Collection Report and shall be attached thereto. In case the owner of the establishment or the person in charge thereof fails to submit such documents, all commodities available shall be seized and a report shall be written on such seizure. Sample collection procedures shall then precede as stated above and as described in and the following articles.

Article 34

The appropriate judicial inspector shall draft a report describing the conditions of the samples and proving the collection thereof in the presence of the owner of the building or the person in charge thereof. The report shall also include the procedures applied by the judicial inspector as previously described, and shall include in particular the following data:

1. Time, date, and place of writing the report;
2. Name and capacity of the author of the report and description of the order upon which he was entrusted with the task;
3. Name and capacity of the person against whom the procedures are applied (owner or person in charge);
4. Results of examining the place where commodities are stored;
5. Documents proving the origin of the commodities (a mark shall be put on such documents to prove they were reviewed and they shall be attached to the report);
6. Procedures taken by the author of the report to prepare the samples;
7. Signature of the owner of the building or the person in charge thereof or a proof that he/she refused to sign the report.

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Article 35

In all cases, judicial inspectors may only record actions, documents, and statements without describing them from the legal point of view (i.e., without trying to prove or disprove knowledge of fraud, satisfaction of factors of intentional negligence or carelessness).

Part IV
(Chapter 3)
Handling of Complaints

Article 36

The appropriate department shall, upon completion of complaint examination procedures, draft a report explaining the view thereof and give such report to the Executive Manager who shall submit it, together with his comments, to the next meeting of the Board. **This should be part of the Manual of Administration that sets out the procedure for handling complaints.**

Article 37

The Board, having reviewed the report related to the complaint, may issue a reasoned decision either to shelve the complaint or to examine such further by the appropriate department. **The day to day handling of complaints should be carried out by Agency staff who will initially try to resolve the matter by way of phone calls and later by mediation, if necessary. The Board should only be involved in policy decisions on how complaints should be handled. The Board will not have the time or expertise to handle individual complaints. Although complaints may be few at first once people are aware of what the Agency does the volume will increase to the point where the Board will not have the luxury of being able to review individual cases. The Board will only get involved where it has to act under Article 19 of the Law in order to compel a violator to comply.**

Article 38

The Board shall, whenever violation of Law is established, order the violator to reverse such violation instantly or within a time limit to be set by the Board. **This Article is not necessary as it is already set out in Article 19 of the Law.**

The Executive Manager shall notify the party in violation of such order by a registered letter accompanied acknowledgement of receipt. **This Article has been moved to the Article dealing with duties of the Executive Manager.**

The Board, if such violation led to, or was supposed to lead to, harming the health or safety of consumers, may order the suspension of the violator or the seizure of the violating commodities until an examination is completed and a decision is made concerning such commodities. **This Article is not necessary as it is already set out in Article 19 of the Law.**

The Executive Manager shall, by a registered letter accompanied by acknowledgement of receipt, inform the violator and the consumers of the violation and the action taken by the Board to stop the violation. **This Article has been moved to the Article dealing with duties of the Executive Manager.**

Article 39

Disputes arising as a result of implementing the Law between consumers and suppliers/advertisers shall be settled by the committees described in Article 17 of the Law. **This Article is not necessary as it is already set out in Article 17 of the Law.**

Article 40

Each of the committees described in Article 17 of the Law and Article () of the Executive Regulations shall be formed by virtue of a decision made by the Chairman of the Agency's Board as follows:

- A president of any court of first instance (chairman of committee)
- A judge from any court of first instance (member of committee)
- An expert (member of committee)

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The Chairman of the Committee and the judge member shall be selected according to the provisions of the Judiciary Authority Law. The expert member shall be selected by the appropriate minister upon the nomination of the Agency's Chairman. **This Article is not necessary as it is already set out in Article 17 of the Law.**

Article 41

The expert to be selected as a member of the Committee may not have submitted any comments related to the dispute, even if such opinion was in the form of a consultative report, and may not have worked in relation to such dispute. **This Article should form part of the Rules of Practice and Procedure of the Dispute Settlement Committee.**

Article 42

The Committee may hire any members as needed. Such hired members may not have countable votes. **This Article is not necessary as it is already set out in Article 17 of the Law.**

Article 43

Disputes submitted to the Committee shall be written on the form made for this effect and submitted in two copies. The Chairman of the Committee shall set a date for the hearing, and shall notify the litigants of such date and summon them to the hearing by means of a letter accompanied by acknowledgement of receipt at least 10 days prior to the holding of such hearing. **This Article should form part of the Rules of Practice and Procedure of the Dispute Settlement Committee.**

Article 44

In case the Committee decides to second an expert, the decision must provide:

1. Detailed description of the expert's duties;
2. The deadline given to the expert to submit the report thereof;
3. The date of the hearing where such report is to be discussed. **This Article should form part of the Rules of Practice and Procedure of the Dispute Settlement Committee.**

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Article 45

If the expert is a civil servant who works for the government or an institution affiliated thereto s/he shall be informed of the secondment decision through the authority where s/he works, otherwise s/he shall be notified with a letter accompanied by acknowledgement of receipt. **This Article should form part of the Rules of Practice and Procedure of the Dispute Settlement Committee.**

Article 46

In case the litigants decide to hire an expert, the Committee shall implement such decision **This Article should form part of the Rules of Practice and Procedure of the Dispute Settlement Committee.**

Article 47

The Committee shall promptly settle any dispute by virtue of a reasoned decision, bearing in mind the nature, fragility, and durability of the commodity. **This Article should form part of the Rules of Practice and Procedure of the Dispute Settlement Committee.**

Article

Any decision made by the Committee shall have the same effect of the judgment of a court of first instance and after the period for appeal has expired and the matter is not appealed, is deemed if such decision is formulated to be as an executive order. **This Article should be moved to Article 17 of the Law at the earliest opportunity since it sets out substantive law.**

Litigants may appeal the decision of the Committee before the appropriate court of appeals according to Article 17 of the Law and the provisions of the Law on Civil and Commercial Pleadings. **This Article is not necessary as it is already set out in Article 17 of the Law.**

In order to ensure that numerous inspections do not take place at the same premises, an inspectorate should oversee and co-ordinate the various inspections that may be conducted at a single premises (e.g. by the Ministry of Trade and Industry [including internal trade], Health, Agriculture and others). The CPA should determine if there is an existing inspectorate or whether a new one will have to be created and whether or not it (the CPA) is prepared under Article iii of Article 12 of the Law to take on this co-ordinating function. The inspectorate should then have its functions defined in these Executive Regulations.

Chapter

Article Inspectorate Committee

The Agency shall oversee an Inspectorate Committee that shall,

- (a) ensure co-ordination of activities and co-operation among inspectors in departments and agencies of the Government of Egypt that relate to consumer protection issues;
- (b) resolve conflicts existing or that may arise in the course of the control functions by those departments and agencies;
- (c) resolve gaps and address overlaps in the inspection process in Egypt; and
- (d) train inspectors in the enforcement of the Law and this Executive Regulation.

Article Composition of Inspectorate Committee

The Inspectorate Committee shall be composed of the following persons:

1. A Chairman to be nominated by the Chairman of the Agency.
2. A representative each from the following departments and agencies:

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- i. Health.
- ii. Agriculture
- iii. Trade and Industry, etc

Appendix 6 – By-laws of the Consumer Protection Agency

Meetings and System of the Agency Board of Director

Article 1 – Technical secretariat

The Board of Directors shall have a technical secretariat to be established and operated by a decision of the Board.

Article 2 – Call for a meeting

The call for a meeting of the Board of Directors shall be sent in writing at least four days before the meeting due date, with the agenda attached.

Article 3 – Conflict of interest

A member is obliged to state in writing any conflict of interest referred to in Article 14 of the Law, before starting any deliberations or voting regarding the matter concerned at a meeting of the Board of Directors, and deliver such statement to the chairperson of the meeting, who signs a copy indicating delivery.

Article 4 - Experts

Experts shall be invited by the Chairman at least two (2) days prior to the specified meeting by any means of notification.

Article 5 – Board minutes

Minutes of Board meetings shall be regularly recorded in a special register with serial-numbered pages. Such minutes shall receive the seal of the Agency and shall be signed by the Chairman and the Secretary.

Board Competencies and Chairman

Article 6 – Board competencies

The Board (Chairman) may,

- i) craft rules to organize the workflow of the Agency and the financial and administrative affairs of employees, such rules may not be restricted to the rules governing civil servants, and shall be submitted to the appropriate minister for approval;
- j) nominate employees to be enforcement officers within the meaning of Article 21 of the Law with the title of “judicial inspector”. Judicial inspectors shall be appointed upon a decree from the Minister of Justice in coordination with the appropriate minister;
- k) draft and approve an annual report of the Agency’s annual activities, including future plans and suggestions;

- l) comment on draft laws and regulations related to the protection of consumers and the basic rights thereof;
- m) entrust one of its members, or a committee formed of some of the members thereof, to perform a certain duty or supervise any of the Agency's activities. Reports on such duty or supervision shall be drafted and submitted to the Board for review; and
- n) coordinate matters of joint interest with counterpart agencies in other countries.

[NOTE: These initial by-laws are by no means an exhaustive list of what should be covered by by-laws of the Agency. Further corporate by-laws should be drafted over the next few months so that the Agency can get started as a proper functioning corporate body.]

Appendix 7 – Consumer Protection Act – Complaints Procedure

Submission of Complaints

Article 1 – Submission of Complaints

Complaints from consumers or associations shall be submitted to the Agency in writing together with the following information and documents:

- Name, address, profession, capacity of complainant; and interest thereof to submit the complaint, and documents supporting his claim;
- Name, address, and business of respondent;
- Type of the violation subject of the complaint;
- Pieces of evidence and documents supporting the complaint (if any);
- Description of the harm inflicted upon complainant (if any).

The Agency may ignore any complaint that does not meet these requirements.

NOTE: A section should be drafted to ensure that persons who are illiterate or who otherwise require assistance can file a complaint.

In addition a process or protocol will have to be developed so that the Agency can self initiate and investigate consumer protection matters that are in the public interest.

Examination of Complaints and inspections

Article 2 – Registration and examination of complaint

The Agency shall examine the complaints submitted thereto either by consumers or consumer protection societies in the manner described hereunder.

Upon receipt, complaints shall be recorded in the Register assigned for this effect. The complainant shall receive a receipt with a date and a serial number on it. Procedures, decisions, and judgments related to the complaint shall also be regularly recorded in the Register.

The appropriate department shall immediately examine the complaints referred thereto by the Executive Manager within a period of not more than 30 days. A report shall be drawn up of all the procedures taken in connection to such complaints.

Disposition of complaints

Article 3 – Monthly report

In addition to the report referred to in Article 2, the appropriate department shall report monthly to the Executive Manager Board on the status of complaints before the Agency and the Executive manager shall submit it, together with his comments, to the next meeting of the Board.

Appendix 8 – Dispute Settlement Committee – Rules of Practice and Procedure

Article 1 - Submission of disputes

Disputes submitted to the Committee shall be written on the form made for this effect and submitted in two copies. The Chairman of the Committee shall set a date for the hearing, and shall notify the litigants of such date and summon them to the hearing by means of a letter accompanied by acknowledgement of receipt at least 10 days prior to the holding of such hearing.

Article 2 - Experts

In case the Committee decides to second an expert, the decision must provide:

4. Detailed description of the expert's duties;
5. The deadline given to the expert to submit the report thereof;
6. The date of the hearing where such report is to be discussed.

Article 3 – Secondment of expert

If the expert is a civil servant who works for the government or an institution affiliated thereto the expert shall be informed of the secondment decision through the authority where s/he works, otherwise s/he shall be notified with a letter accompanied by acknowledgement of receipt.

Article 4 – Conflict of expert

The expert to be selected as a member of the Committee may not have submitted any comments related to the dispute, even if such opinion was in the form of a consultative report, and may not have worked in relation to such dispute.

Article 5 – Committee to hear experts of litigants

In case the litigants decide to hire an expert, the Committee shall implement such decision

Article 6 – Prompt settlement

The Committee shall promptly settle any dispute by virtue of a reasoned decision, bearing in mind the nature, fragility, and durability of the commodity.

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