IMPORTANT LAWS AND REGULATIONS REGARDING LAND, HOUSING, AND URBAN DEVELOPMENT IN THE ARAB REPUBLIC OF EGYPT

Report of

THE JOINT HOUSING TEAMS

Ministry of Housing and Reconstruction
Ministry of Planning
Arab Republic of Egypt

with

Office of Housing
Agency for International Development
United States of America

AUGUST 1977

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THE JOINT HOUSING TEAMS

United States of America

Agency for International Development:

Mr. George Hazel (AID)
Project Director
Mr. Alfred P. Van Huyck (Consultant)
Team Coordinator

National Savings and Loan League
JOINT HOUSING TEAM FOR FINANCE

Dr. James Christian
Team Leader
Mr. Edward Clifford
Dr. C. Wade Clifton
Ms. Sonia Hammam

PADCO
JOINT LAND POLICY TEAM

Mr. David Oakley
Team Leader
Mr. Jeffry R. Stubbs
Mr. Samuel A. Sherer
Mr. Mokhtar A. Saleh

Foundation for Cooperative Housing
JOINT HOUSING AND COMMUNITY UPGRADING TEAM

Mr. Charles Dean
Team Leader
Dr. Larry Salmen
Mr. Agustin Costa
Dr. Mona Serageldin

Government of Egypt

Dr. Salah El Bindary
Undersecretary of State, Ministry of Housing and Reconstruction

Dr. Saad El Din Hanafi
Undersecretary for Housing and Public Utilities, Ministry of Planning

Dr. Zaki Abu El Nasr
Deputy Chairman, Board of Directors Credit Foncier

Dr. Samir Tobar
Advisor to the Minister, Ministry of Finance

Mr. Salib Gobran
Director, Housing and Utilities, Ministry of Planning

Mr. Moyhi El Naggar
Director General, Ministry of Planning

Eng. Fouad El Gohary
Director General, General Organization for Building and Housing Cooperatives

Mr. Nazmi Riad Ghabour
Director General, Ministry of Housing and Reconstruction

Eng. Ismail Osman
Technical Director, Ministry of Housing and Reconstruction

Eng. Nassef Hussein
Secretary General, Technical Bureau for Housing and Public Utilities, MOHR

Counselor Kamal Ibrahim
Legal Advisor, Ministry of Housing and Reconstruction

Eng. Gamal Zaki
General Manager, Nasr City Housing and Redevelopment Company

Mr. Michael Rafael
Advisor to the Minister of Housing and Reconstruction

Mr. Ramzy Shenouda Morcos
Supervision Engineer, Ministry of Housing and Reconstruction

Mr. Tarek Selim
Technical Office, Ministry of Housing and Reconstruction

PREFACE

This translation and compilation of important laws and regulations of the Arab Republic of Egypt regarding land, housing, and urban development was undertaken as part of the 1977 Joint Housing Teams' work in Egypt.

It contains all relevant laws and regulations in force on April 1, 1977. Since that time and this publication (August 1977), a new housing law has been passed, some changes have been made in the Foreign Investment Law (Law No. 43 of 1974) and Decree No. 169 of 1962 has been replaced by a new set of building regulations. However the old regulations presented here are similar enough to the new legislation that it is possible to use them; there was not sufficient time in this work effort to translate the new ones.

Many of these laws were available in English but had not been compiled in one place. Laws from the period prior to 1970 were available in French, as translated from the Arabic under the direction of Messrs. U. Pace and V. Sisto of Alexandria for their Repertoire Permanent de Legislation Egyptienne. Samuel A. Sherer then translated these laws from French to English. Laws passed after 1970 were translated directly from the Arabic under the direction of Mr. Mokhtar Saleh, without whose assistance this work could never have been completed. Ms. Sonia Hammam also provided considerable assistance to Mr. Sherer, and Mr. F.G. Farag, Consultant Engineer, was kind enough to share his English translations of the building standard and expropriation laws and regulations.

Of course, these persons are not responsible for any errors in translation. It is hoped that this compilation will be useful to persons concerned with urban development in Egypt and that we will be informed of any errors so they can be corrected.

GENERAL

EGYPTIAN CONSTITUTION
(Articles 29-36)

Article 29. Property is subject to the people's supervision and is protected by the State. It is of three kinds; public property; cooperative property; private property.

Article 30. Public ownership is ownership by the people. This is ensured by continuous state support for the public sector.

The public sector leads progress in all spheres and assumes the main responsibility in the development plan.

Article 31. Cooperative ownership is the property of the cooperative societies and the law guarantees its welfare and its autonomy.

Article 32. Private ownership is defined as on-exploiting capital. The law regulates its social function in serving the national economy and within the development plan without deviation or exploitation. Private property may not be used in a manner incompatible with the general good of the people.

Article 33. Public ownership is inviolable. Its protection and its strength is the duty of every citizen in accordance with the law, because it is a foundation for the support for the strength of the country, a basis for the socialist system and a source for the welfare of the people.

Article 34. Private ownership is safeguarded. Sequestration may not be imposed on it except in the cases specified in the law and by a court judgment and it shall not be expropriated except for public utility and for compensation in accordance with the law. The right of inheritance of private property is guaranteed.

Article 35. Nationalization is inadmissible except for considerations of public interest, through a law, and with compensation.

Article 36. Public confiscation of property is prohibited. Private confiscation is inadmissible except by a court judgment.

LOCAL GOVERNMENT LAW
(Law No. 52 of 1975)

Part 1

Basic Organizations of Local Administration

Chapter 1 - Units of Local Administration and their attributes

Article 1. The Units of local Administration are the Governorates, districts, towns, neighborhoods and villages, each of which shall have a legal personality. They are to be constituted, including their boundaries as well as their abolition, according to the following processes.

a) The Governorates: by a decision of the President of the Republic and may consist of a single metropolis.

b) Districts, towns, neighborhoods and villages: by a decision of the Minister for Local Administration, with the approval of the Governorate Local Council. The boundary of the local unit of the village may embrace a group of villages.

A Governorate consisting of one metropolis shall have the revenues and the attributes assigned to the Governorate and the town.

Article 2. The Units of local administration shall assume the responsibility for the creation and management of all the utilities existing within its boundary with the exception of public utilities or those of a special character which shall be designated by a decision of the President of the Republic.

The executing regulation of this law shall define the local utilities which the Governorate shall assume the responsibility of creation and management for, and those which shall be the responsibility of the other units of local administration.

Article 3. Each local Administration Unit shall have a Local Council, the members of which will be chosen by direct election.

At least one-half of the members of the Local Council shall be farmers and workmen, in accordance with the definition of the farmer and workmen in application with respect to the membership of the People's Assembly.

The Local Council will be represented by its chairman before the courts and other bodies.

Article 4. The Governorate will be represented by its Governor, and each local administration unit by its head, before the Courts and other bodies.

Chapter II - The Ministerial Committee for Local Administration

Article 5. A ministerial committee for local administration is to be formed by a decision of the Council of Ministers, and will be headed by the president of the Council of Ministers or by a member of the Council to whom he delegates his authority. In the formation of

the committee, it is to be observed that its membership includes the ministers whose duties are connected with local administration. This committee shall be concerned with the following within the scope of the general policy of the state:

1) Elaboration of the planning policy for application of the system of local administration and expression of opinion on draft laws, regulations, and decrees relating to this system.

2) Elaboration of the General Policy for transfer of duties and funds to the local units and the drafting of the periodic plan necessary to accomplish that goal.

3) Coordination between local units and ministries in all fields.

4) Approval of the imposition of duties of a local character and of proposals for imposition of local taxes, their modification, shortening of the periods of their application, exemption from them, and their abolition.

5) Expression of opinion on the creation or abolition, or limitation of the domains of local administration units, and coordination between them in the economic fields, and the making the requisite measures to accomplish the above.

The aforementioned committee shall assist the local administration organs in the fulfillment of their functions.

Part II

Governorates

Chapter 1 - Governorate Local Councils

Section 1 - Formation of Governorate Councils

Article 6. A council is formed in every governorate consisting of four members for every administrative quarter or district. Every administrative district or quarter shall be represented, in each of the governorates of the Suez Canal zone, Mersa Matrouh, the New Valley, Sinai, and the Red Sea, by eight members.

Article 7. The local council of every governorate shall choose from among its members, at its first ordinary meeting and for the term of its period of office, a chairman and two vice-chairmen, one of whom shall be a workman, and the other a farmer.

In case of absence of the chairman, he will be replaced by each of the vice-chairmen alternatively. In event of absence of both the chairman and vice-chairmen, the presidency will go the the eldest member. In case the position of any of them becomes vacant, the council shall choose someone to replace him for the rest of the term.

Section II - Responsibilities of Governorate Local Councils

Article 8. The local council of the governorate shall undertake within the scope of the general policy of the State, the control and supervision on the various utilities and works of local character and government

services functioning in the governorate. It may demand, through the governor, any information concerning the activities of the other production or economic units or others in the governorate, and shall assume the supervision over the implementation of the plans relating to local development and their execution, in the manner specified by the law and the executive regulations.

Article 9. The local council may, in the exercise of its functions specified in the previous article and with the agreement of the governor, set the representation of beneficiaries, in the management and supervision of the projects, organs, and units concerned with the administration and implementation of the projects and public services in the governorate, within the domain of eduction, culture, health, social affairs, transport, communications, habitation, water, electricity, sanitary drainage, distribution of supply commodities, pensions and social insurance, mosques, and other projects, utilities and similar organizations to be determined by a decision of the President of the Republic after approval by the Ministerial Committee for Local Administration. All of the proceeding shall be according to the forms and procedures laid down by the executive regulations.

Article 10. Persons chosen to represent beneficiaries of public services must fulfil the conditions of membership in the local councils as being citizens known for their zeal for public welfare, and honesty, and residing in the area of the local unit which they would represent. They may not be employees of this unit, or members of the People's Assembly or of local councils.

Article 11. Representatives of beneficiaries must not interfere in the exercise of the administrative or executive work in the regions for which they represent the beneficiaries. No one of them shall receive any funds, or obtain any advantages from these regions; nor should they be the object of any special treatment with respect to any dealings within his region. The representative of the beneficiaries is to be considered as charged with a public service in respect to the application of the criminal law.

Article 12. The local council of the governorate is competent with regard to the other local councils in the jurisdiction of the governorate, in conformity with the provisions of this law and its executive regulation, and in the following matters:

a) Control and supervision over the actions and diligence of these councils.

b) Sanction or disapproval of the decisions issued by them.

c) Approval of proposals of these councils for creation or abolition of local units within the jurisdiction of the governorate or change of their names.

The chairman of the Local Council of the governorate shall communicate the decision of the council, in these cases, to the governor or, where required, to the Minister for Local Administration within three days from the date of the issuance of the decision.

Article 13. The Local Council of the Governorate is competent with regard to the following within the scope of the general plan and the approved budget, and in observance of the laws and regulations:

1) Approval and supervision of the execution of the economic and social development projects and the annual draft budget of the governorate and its draft final accounting/annual financial report.

2) Determination and approval of the plan for popular participation with the private activities and of potentialities of assistance for local projects.

3) Approval of the projects of urban planning in a manner to respond to the requisites of habitation, construction and urbanization.

4) Proposal of the imposition of taxes and dues of a local character, their modification or the shortening of their periods of application, or exemption from them or their abolition.

5) Decisions regarding construction of the various utilities of general benefit to the governorate.

6) Decisions regarding the establishment of local production projects.

7) Study and elaboration of the plans and systems relating to combat of illiteracy and family planning within the governorate, and provision of the needs therefore, and supervision of their execution.

8) Making and approval of the general rules for management and utilization of the properties of the governorate and for disposal of them.

9) Making of general rules for the dealings between the organs of the governorate and the people with regard to all fields.

10) Approval of the establishment of joint projects with other governorates or with local units or other legal entities in the governorate.

11) Exercise of the powers relating to the projects of local councils within the jurisdiction of the governorate and which these councils are incapable of undertaking on their own.

12) Issuance of the rules and systems ensuring the proper functioning and the regularity of the service of local public utilities.

13) Approval of the representation of the council in internal conferences and participation in seminars, studies, and negotiations conducted by the central authorities.

The local council may issue the necessary decisions for consolidating its exercise of the attributes specified in this article. The chairman of the council shall communicate its decisions, recommendations and proposals to the governor within three days from the date of their issuance.

Article 14. The Local Council of the governorate shall be concerned recommendations regarding proposals and plans related to affairs and public needs of interest to the population of the governorate generally, and in particular, in the following fields:

1) Conservation of local organization and security.

2) Consolidation of the industrial, agricultural and commercial development.

3) Increase of productive capacity.

4) Increase of the efficiency of public utilities.

5) Development and modification of laws, regulations and decisions affecting the interests of the local community.

The chairman of the Council shall communicate its recommendations and suggestions in the aforementioned matters to the governor or where required, to the Minister for Local Administration within three days from the date of their issuance. The Minister shall bring these recommendations, accompanied with his own observations, to the People's Assembly within 15 days from the date of their communication to him.

Article 15. The Local Council of the governorate may, after the approval of the Minister for Local Administration, dispose free of charge of any fixed or movable asset of the governorate or grant it for use at a nominal rent or sell it for less than its real value, for the purpose of realising a public purpose. Such disposal of property must be for a value less than an aggregate total of LE 25,000 in course of one fiscal year, or to a Ministry or a state organization.

No act of disposal of the aforementioned kind in excess of the amount of LE 25,000 is permissible to bodies other than Ministries and State Organizations in one fiscal year, except with the approval of the Ministerial Committee for Local Administration.

Article 16. The local council of the governorate may, with the approval of the Minister of Local Administration and within limit of the approved plan and budget, contract loans for the implementation of necessary productive or investment projects for the governorate or for the local units within its jurisdiction. These loans shall be for a maximum of 10% of the annual total of its own revenues or of those of the local unit in which these projects are located and provided that the total amount of indebtedness does not at any time exceed 20% of the total amount of these revenues. In case the amount of the loan exceeds 10%, or the limit of indebtedness 20%, the approval of the Ministerial Committee for Local Administration is required.

Article 17. The Local Council of the governorate may, within limit of the approved budget, decide the award of financial, technical and administrative aid to bodies undertaking social, benevolent, or scientific activities within its jurisdiction, and advance loans and other assistance to the cooperatives and help them technically and administratively to carry out these activities.

Article 18. The Local Council of the governorate may, within limit of the approved budget, lend to the public organizations, or local bodies within the boundaries of the governorate, funds for the execution of a project of public benefit. The decision of the Council in this respect shall only be executed after the approval of the Minister for a Local Administration.

Article 19. The Local Council of the governorate shall express its opinions on subjects as requested by the governor or the competent Ministers.

The governor shall submit to the President of the Republic, through the Minister of Local Administration, and shall transmit to the competent ministers, each within his competence, the decisions of the Local Council relating to the public affairs of the governorate.

Section III - Questions and Discussions

Article 20. Any one of the members of the Local Council of the Governorate may address to the governor, or to any of the heads of State Departments, or to the chairmen of public organizations under the governorate, questions on matters falling within area of responsibility.

The question should be on matters of local business and not connected with any private affair of the questioner, and not be of a personal character.

The governor or whoever is required to answer any questions shall reply to it in a session of the Local Council unless the Council decides that only a written reply is required.

The governor may delegate to the heads of the Departments in the Governorate replies concerning questions addressed to him.

The internal regulations of the Council shall organize the procedures for the asking of questions and making of replies to them.

Article 21. The members of the Local Council of the governorate may demand a meeting with the governor or any of the heads of government departments or chairmen of public organizations or presidents of public bodies to call them to account for the internal affairs of the bodies under their responsibility, in observance of the following rules:

a) The meeting with the governor should be demanded by one third of the members of the Council or by at least six of them; and the meeting with any of the heads of government departments or of public organizations or bodies should be demanded by at least four members of the Council.

b) The discussion of the question forming the subject matter of the call shall take place at least seven days from the date of its presentation, unless the body or person with whom the meeting is required agrees to discuss it before the end of that period.

The internal regulations of the Council shall organize the procedures and forms for the call for a discussion meeting and the carrying out of that purpose.

Article 22. A decision of the Local Council of the governorate shall be promulgated after the discussion of the matter, defining the responsibility of the governor regarding a certain act under his authority. Such a decision requires a vote of an absolute majority of the members of the Council.

In this case the chairman of the Council shall communicate to the Minister for Local Administration, the report of the decision arrived at by the Council and the grounds on which its decision is founded, for presentation to the Ministerial Committee for Local Administration.

The Minister must notify the Council of the views of said committee within 30 days from the date of notification of the Minister of the decision.

A decision relating to the responsibility of any of the heads of departments or of public organizations or bodies is to be made after discussion of the matter regarding any responsibility ascribed to any of them. It must be taken by absolute majority of the members of the Council.

In this case the chairman of the Local Council shall present to the governor, and to the competent Minister a report on the decision of the Council and the reasons for that decision.

The Minister must inform the Council of the proceedings taken in this respect within 30 days from the date that he is informed of the decision of the Council.

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Section IV - System of Work in the Local Councils of the Governorates

Article 23. The seat of the Governorate Local Council and its committees shall be located in the capital of the governorate. The Council shall be provided with the adequate number of clerical and administrative staff requisite for the conduct of the work of the Council. The chairman of the Council shall exercise control over them, and shall have the powers of a Minister in this connection.

The funds needed for meeting the expenses of the Local Council shall be included yearly in the budget of the governorate, and placed under the authority of the chairman of the Council in his capacity for making expenditures.

Article 24. The term of office of the Council of the governorate is at least ten months.

The Council shall meet in the place assigned to it in the capital of the governorate, in a regular meeting at least once every month, by notice of its chairman and on the date fixed by him.

The Council may be convoked in a special meeting, in case of need, at the demand of its chairman, or of the governor, or of at least one-third of its members.

Unless so provided by a special provision, the meeting of the Council shall not be valid except if attended by a majority of its members. The decisions of the Council on the matters falling within its competence shall be an absolute majority of the members attending. In case of a divided vote, the chairman's vote will be deciding.

Article 25. The governor shall attend the meetings of the local Council. They shall also be attended by the heads of the departments, local units, public organizations, and of bodies of whose competence the matters under the jurisdiction of the Council form a part.

Article 26. The members of the People's Assembly in the governorate may attend the meeting of the local council and take part in their discussions and may present suggestions and questions without having a vote in the decisions.

Chapter II - The Governors

Article 27. Every governorate shall have a governor who is appointed and dismissed from his post by a decision of the President of the Republic.

The governor cannot be a member of the People's Assembly or of a Local Council.

The governor shall be treated as equal in rank with ministers or deputy ministers as regards his salary or pension according to the decision making his appointment.

The governor shall take an oath in front of the President of the Republic before entering on the exercise of the functions of his post as follows:

> "I swear by God the Almighty to maintain sincerely the Republican regime, and to attend to the interests of the people and the security of the country, and to respect the constitution and the law and to perform my duties with conscience and truth".

The governors are to be considered to have resigned by rule of the law, with the termination of the term of Presidency of the President of the Republic. This resignation does not entail the forfeiture of their right to pensions or indemnities. They shall continue in the exercise of their duties until the new President of the Republic appoints new governors.

Article 28. The governor is considered as the representative of the President of the Republic in the governorate and attends to the supervision of the General Policy of the State in that jurisdiction.

He will be responsible for security and public morals in that jurisdiction, in collaboration with the Minister of the Interior. The promulgation of the necessary decisions in this respect shall be made by the Minister of the Interior.

The governor is responsible, within the jurisdiction of the governorate, for increasing the capacity of industrial and agricultural production, promoting such activities, and may take the measures conducive to this end within the scope of the laws and regulations.

The governor shall supervise all branches of ministries, the powers of which has not been transferred to the governorate.

The governor in the Scope of his authority is the head of all the Local Organizations, and utilities. Every Minister may vest the governor with some of his powers defined in the laws.

The governor shall have the powers allocated to the Minister with reference to the decisions issued by the boards of administration of the general organizations and public bodies responsible for the management of public services which are a part of the powers of local units according to Article 2.

The governor is called upon to communicate his observations to the Ministers concerned in all matters relating to the governorate. In case the ministers do not respond to the observations of the governor he may bring the matter to the attention of the Ministerial Committee for Local Administration.

Article 29. The governor is the Local Chief of all the civil government staff within the jurisdiction cricuit of the governorate.

The governor shall exercise all the functions of the Minister with regard to all workers within the scope of the governorate for all the services the authority for which has been transferred to the local units.

The governor is concerned with the civil staff of the ministries and other organs the authorities of which have not been transferred to the local units, with the exception of members of the judiciary bodies, concerning the following:

a) Appointments in posts, the financial grade of which do not exceed the third level, according to a budget from the competent authority and within limit of the funds established.

b) Demands for the transfer of any worker from the governorate if it is found that his presence there is not in accord with the public interest.

c) Expression of opinion on the promotion or transfer of employees in the governorate before the issuance of a decision by the relevant authority.

d) Referral to enquiry and imposition of disciplinary penalties within the scope of the competence of the minister.

e) Demands for enquiry regarding the workers belonging to general organizations, public bodies and their relevant economic units of their carrying out of their activities in the jurisdiction of the governorate and suggestions for the infliction of disciplinary penalties upon them by the competent authority.

The governor shall inform the relevant authority of the measures taken by him or the decisions issued in respect of the above-mentioned cases within three days from the date of taking them.

Article 30. The governor shall have the powers of a Minister in the financial and administrative matters relating to the local units, their budgets and the utilities transferred to the Governorate, in the manner shown in the executive regulations.

Article 31. An assistant to the governor may be appointed by a decision of the President of the Republic. Such decision shall define his financial status.

Each governorate shall have a secretary general vested with the powers and attributes of Under Secretary of State for the financial and administrative matters specified by the laws and regulations - for the general authority of the governorate.

Each governorate shall have an assistant secretary general who will replace the secretary general in his absence.

None of the occupants of the aforementioned posts should be a member of the People's Assembly or of local councils.

Article 32. The governor may delegate part of his authority and powers to his assistant or to the Secretary General of the governorate or to the heads of the department or districts, or cities, or neighborhoods or villages.

Article 33. An Executive committee shall be formed in each governorate headed by the governor and with the membership of:

1) The heads of the districts in the jurisdiction of the governorate, the heads of the departments of the Governorate and the public organs to be defined by the executive regulation.

2) The Secretary General of the governorate who will be the secretary of the committee.

The heads of the committees of the Local Council of the governorate will participate in this executive committee without prejudice of their right for exercise of control according to the provisions of this law and its executing regulations.

This committee shall meet at least once every two weeks on call of the governor and with regard to the subject to be defined by him.

Article 34. The executive committee of the governorate shall have the following responsibilities:

a) Assisting the governor in the elaboration of the administrative and financial systems requisite for the implementation of the decisions and recommendations of the local council.

b) Suggesting the rules for ensuring the proper conduct of the work by the administrative and executive organs of the governorate.

c) Studying and investigating all matters referred to it by the Local Council or the governor.

Article 35. The Director of Security of the governorate shall replace the governor in his absence. In case of the absence of both, the assistant governor or the oldest head of the other departments will replace the governor. Whoever replaces the governor shall exercise all of his powers.

Chapter III - Financial Resources of the Governorate

Article 36. The revenues of the governorates shall consist of the following:

First: Joint resources with all other governorates: These include:

a) The governorate's share in the additional tax on exports and imports within its jurisdiction.

The President of the Republic shall determine the ratio of this additional tax within a maximum limit of 3% of the customs duty.

The governorate shall appropriate one-half of its receipts and the other half will be added to the assets of joint revenues.

b) The governorate's share in the additional tax on movable properties and of the tax on industrial and commercial profits.

The rate of this additional tax will be assessed at a maximum level of 5% of original tax, by a decision to be issued by the Minister for Local Administration, after approval of the Local Council of the governorate. In excess of this limit, the rate of the tax may be fixed within a rate of 15% of the original tax by a decision of the Ministerial Committee for Local Administration after approval of the Local Council of the governorate.

The governorate shall appropriate one-half of this tax and the other half will be added to the assets of joint revenues.

If the main office of any of the establishments is different from the center of its business activity, the Local Council of the governorate where the business activity is practiced will impose the additional tax. Said governorate will appropriate one-half of the receipts under the law and the other half will be added to the assets of the joint revenues.

A decree of the Minister for Local Administration will be issued regarding the distribution of receipts of the joint revenues to the different governorates.

Second: The Special Resources of the Governorate, which include the following:

a) One quarter of the original tax laid on the buildings of the governorate and one-quarter of the receipts of the additional tax imposed by the Council on the land tax in the governorate.

The setting of this additional tax shall be by virtue of a decision to be issued by the Minister for Local Administration,

after approval of the Local Council of the governorate where it is set at a maximum of 5% of the original tax; by a decision of the Minister of Local Administration, after approval of the Ministerial Committee for Local Administration, if the rate of the additional tax exceeds 5% and is within 10% of the original tax. In excess of this rate and within 15% of the original tax, the setting of the tax will be made by a decision of the President of the Republic, according to a proposal presented by the Minister for Local Administration in agreement with the Minister of Finance.

b) Taxes and duties on motor cars, motor-cycles, carts, bicycles and other means of transport licensed by the governorate.

c) One-half the sale price of buildings and lands destined for building purposes owned by the State and within the boundaries of the towns.

d) Receipts from investments of the funds of the governorate, and the revenues of the public utilities administered by the governorate.

e) Other taxes and duties of a local character imposed in favor of the governorate.

f) State subsidies.

g) Donations, contributions and legacies.

The Local Council of the governorate shall undertake the distribution of a part of its revenues mentioned in clauses (a) and (b) of the Second Section (Special Resources) to the local units falling within its jurisdiction with the ratios to be fixed by it in observance of the conditions and the requirements of each unit.

Article 37. The Local Council of the governorate may institute an account for local services and development of the resources for such services consisting of:

1) The duties which the local council of the governorate imposes for the purposes of this account.

2) The profits of production projects financed by this account.

3) Donations, contributions and legacies which the Local Council of the governorate approves for assignment to this account.

Article 38. The revenues of the services and development account of the governorate are to be used according to the decision of the Local Council of the Governorate for the following purposes:

1) Financing production projects and local services according to a local plan to be distributed and approved within the scope of the general plan of the State.

2) Completion of projects included in the general plan of and the state for which the funds included for them in the budget of the governorate are not sufficient for their implementation. Execution of projects undertaken by the governorates for their own activities.

3) Increasing the level of performance of the local public services.

4) Spending on the urgent vital public services.

A decision of the Minister for Local Administration will be issued organizing the services and development account.

The funds of this account will be treated as public funds, particularly with regard to the application of the penal code in respect to their collection, expenditure spending and management. The balances of this account will not devolve to the public treasury.

Part III

Chapter I - District Local Councils

Article 39. A local council shall be formed in every district, in which the capital town of the district will be represented by 8 members and the remaining local units within the area of the district, by four members for each unit.

Article 40. The local council shall choose from among its members, at its first meeting, a chairman and a vice-chairman for its term of office, at least one of whom shall be a farmer or workman.

The vice-chairman shall replace the chairman in his absence. In case of the absence of the two, the oldest of the members of the council will take the chair.

In case the position of either of the two becomes vacant, the council will choose another person in his place for the rest of the term.

Article 41. The District Council shall assume, within the scope of the general policies of the governorate, the management and supervision of the business of the local councils of the towns and villages within the area of the district and shall ratify their decisions within the limits laid down by the executive regulation.

It will also exercise control and supervision over all the utilities of local character serving more than one local council within the area of the district.

The District Council will be concerned with the following, within the limit of the laws and regulations:

1) Approval of the draft plan and draft annual budget of the district, supervision of its implementation and approval of the draft final accounting/annual financial report.

2) Making and approval of the plan for popular participation, within the potentiality and efforts or the plan of the district, in local projects and the execution of their implementation.

3) Proposal of the creation of the various utilities of general benefit to the district.

4) Making and approval of the General rules for administration and exploitation of the properties of the district and the disposal of such properties.

5) Suggestions for the General rules of organization of relations between the units of the district and the general public regarding all fields of endeavor.

6) Suggestions for the rules necessary for the organization of public utilities in the district.

7) Suggestions of processes for increasing the production capacity and efficiency of the bodies responsible for public utilities.

Article 42. The District Council, with the approval of the Minister for Local Administration, may dispose free of charge of any of the fixed or movable assets of the district, or lease them at nominal rents, or sell them at less than the present market value, for a public purpose, if disposal of such property is for a maximum of LE 5,000 in one fiscal year or if such disposal is to any ministry or state department.

No disposal of this kind is allowed to other than the ministries or state departments in excess of LE 5,000, in the course of one fiscal year except by a decision of the Ministerial Committee for Local Administration.

Chapter II - Financial Resources of the District

Article 43. The resources of the district consist of the following:

1) Sources assigned by the local council of the governorate to the benefit of the district.

2) Proceeds of investment of the funds of the districts and revenues of the utilities under its authority.

3) Government subsidies.

4) Donations, contributions and legacies.

5) Loans contracted by the council.

The District Council may, on approval of the local council of the governorate, open an account for services and development of the district. A decision must be issued by the Minister for Local Administration organizing such an account, the assets of which are to be considered public funds in particular with regard to the application of the penal code, as well as specifying rules regarding their collection, expenditure and management. The balance of such account does not devolve to the Public Treasury.

Chapter III - The Head of the District

Article 44. Every district shall have a head who is the head of the capital town of the district, or who may be chosen by the Minister for Local Administration. He will have the powers of head of Administration in the Financial and administrative matters of the district, in the manner to be defined by the executive regulation.

A sub-head of the district may be appointed to whom the head of the district may delegate with some of his powers.

The Mamour of the district shall replace the head of the district in event of his absence. In case of the absence of both, the sub-head of the district may replace the head of the district. Whoever replaces the head of the district shall exercise all of his powers.

The head of the district shall take the oath cited in Article 27 in front of the local council of the district before beginning his functions.

Article 45. An executive committee shall be formed in every district, presided over by the head of the district and with membership of:

1) The directors of the services and production sections of the district to be designated by the executive regulation, and the heads of the towns and villages under its jurisdiction.

2) The secretary of the council, who will be the secretary of the c committee.

3) The chairmen of the committees of the local council in the District will participate in the committee without prejudice to their supervisory authority under the provisions of this law and its executive regulation.

This committee shall meet, by call of its members by the Chairmen.

Article 46. The executive committee shall assist the head of the district in formulating the administrative and financial plans requisite for the implementation of the decisions of the District Council, and will also undertake the following:

1) Supplying the towns and villages with the necessary administrative and technical organs for exercise of their powers.

2) Extending financial aid to the cities and villages the special resources of which are insufficient to responding to their needs within the limits which the Local District Council decides.

3) Execution of the projects which the towns or villages are incapable of executing.

4) Study and execution of joint projects serving more than one local unit within the area of the council.

5) Coordinating projects of the town and village councils, according to the regulations of the local council of the district.

The Committee shall also exercise the powers mentioned in Article 34 regarding the plan of the district.

Part IV

Towns

Chapter I - Formation of Town Councils

Article 47. A local council is to be formed in every town on the basis of representation of every administrative quarter by eight members. The number of members in towns consisting only of one quarter shall be 16.

Article 48. The Town Council shall choose from among its members in its first meeting, a chairman and a vice chairman to serve for its term of offices. At least one of these officers shall be a workman or a farmer. The vice chairman shall replace the chairman in case of his absence. In the event of the absence of both the oldest member of the Town Council will take the chair.

If the position of either of the two officers becomes vacant, the Town Council shall choose some one to replace him for the rest of his term.

Article 49. The local council of the town shall assume, within the scope of the general policy of the district, the management and supervision of the councils of the neighborhoods and coordination between them, and the control and supervision of the various utilities of local character within the area of the town. It is also concerned with the matters specified in paras. 1 - 7 of Article 41, for the town within the limit of the laws and regulations.

Article 50. The local council of the town may, upon approval of the Minister for Local Administration, dispose free of charge of any fixed or movable asset of the town or lease such asset for a nominal rent, or sell it below its effective market price, for a purpose for a public benefit. Such disposals must be within an aggregate of LE 5,000 in the course of one fiscal year, or be to a ministry or government department. No disposal of the kind above-mentioned is to be carried out to other than ministries and government departments, in excess of LE 5,000 in the course of one fiscal year, except by approval of the Ministerial Committee for Local Administration.

Chapter II - The Financial Resources of the Town

Article 51. The financial resources of the town shall comprise the following:

First: Receipts of the tax on buildings situated within the jurisdiction of the Town Council, and the additional taxes thereon, with the exception of the taxes the receipts of which are assigned to social purposes according to the law.

Second: The receipts of the taxes on amusements and gambling, imposed within the area of the town.

Third: 75% of the receipts of the basic tax on lands situated within jurisdiction of the town and 75% of the additional tax imposed on the lands.

Fourth: The resources which the local council of the governorate assigns to the benefit of the town.

Fifth: Duties imposed by the local council of the town, in its area within the limits of laws and regulations, on the following:

1) Extracts from birth and health registers.

2) Licenses of quarries, mines, and fishing.

3) Sanitation and drainage works, and use of roads and public gardens.

4) Public places, clubs, industrial and commercial establishments.

5) Animals used for transportation, dogs, beasts of burden, and others.

6) Commercial vessels, fishing and recreational boats, Nile barges, and all kinds of floating vessels.

7) Items slaughtered in public slaughterhouses or in localities used for this purpose.

8) Public markets, the management of which is licensed to private persons.

9) Estates which have benefitted by public projects executed by the Town Council with a betterment charge of a percentage of 50% of the increased value of these estates on disposal of them.

10) Consumption of water, electricity and gas up to 1% of the price of consumption, in case where the Town Council does not assume the exploitation of these sources by itself.

11) Use and exploitation of coasts and river banks.

12) Rents paid by occupants of built properties subjected to the land tax up to 4% of their rental values.

Sixth: The counterpart tax fixed by the Town Council on the exploitation or use of public utilities of the town or whose management is entrusted to the executive bodies of the town, or the use or exploitation of public properties managed by the town.

Seventh: The Government's receipts within the boundaries of the town from rents of buildings, lands, and utilities forming part of its private properties and one-half the amount collected from the sale of said buildings and lands.

Eighth: Revenues from the exploitation of the assets and utilities of the town managed by it, and the revenues from public markets within its boundaries.

Ninth: Government subsidies, donations, contributions and legacies.

Tenth: Loans contracted by the Town Council.

Article 52. The following items are exempted from the duties listed in paragraph 12 of the fifth clause of the preceding Article:

1) Buildings occupied by ministries, departments, public organizations, and local councils or local units and Arab Socialist Union units, societies and private organizations registered according to the law.

2) Buildings exempted from the tax on built properties.

3) Buildings belonging to foreign countries, on the basis of reciprocal treatment.

Landlords or beneficiaries of buildings should collect the rental duty mentioned in the previous paragraph from their tenants, and remit such sums to the collection offices on the dates fixed for payment of the tax on built properties.

Article 53. The decision of the Town Council relating to imposition of the duties mentioned in Article 51 shall only be executed after approval of the district local council and the Ministerial Committee for Local Administration.

That Committee may demand from the Town Council the imposition or modification of a certain local duty, for the purpose of assisting it in the accomplishment of its duties in a manner conducive to local benefit, and may also demand from the Town Council the abolition or modification of a duty, or the shortening of the period of its imposition, if it is found that its continuance is not consistent with the financial or economic policy of the state. If the council refuses this demand in such case, the question will be submitted to the Council of Ministers. The decision of that body will be final.

Article 54. The Town Council may after approval of the local council of the Governorate open an account for the services and development of the town, the organization of which will be established by a decision of the Minister for Local Administration. The assets of that account are to be considered public funds, particularly with regard to the application of the penal code as regards collection, expenditure, and management of such funds. The balances in such an account do not devolve to the public treasury.

Chapter III - The Head of the Town

Article 55. Each town shall have a head having the powers of head of administration in financial and administrative affairs, related to the organs and the budget of the town, and acting a manner to be laid down by the executive regulation. He shall take the oath stated in Article 37, in front of the Town Council before taking up his functions.

Article 56. An executive committee shall be formed in every town presided by the head of the town and with the membership of:

1) The chief of the service and production sections of the town to be designated by the executive regulation.

2) The secretary of the town who will also be secretary of the committee. The Chairmen of the Committees of the local council of the town will take part in this committee without prejudice to their right of exercise of control according to the provisions of this law and its executive regulation.

This committee shall be convoked by its chairmen at least once every fortnight/two weeks in the place to be designated by him. In case of his absence he will be replaced by the Mamour of the district.

Article 57. The executive committee shall assist the head of the town in making the financial and administrative plans for implementation of the decisions and recommendation of the Town Council.

It shall also study the questions referred to it by the Town Council or the head of the town. In particular, it shall undertake the following matters within limitations of the laws and regulations:

1) Control of the collection of the revenues of the town of all kinds.

2) Assistance to the utilities, organizations and local bodies.

3) Joining with another local unit in the creation or management of utilities or works, with the approval of the Town Councils concerned.

4) Making rules ensuring the proper functioning of the administrative and executive organs of the town.

Part V

Neighborhoods

Chapter 1 - Local Neighborhood Councils

Article 58. A one-town governorate, or big towns, may be divided into neighborhoods.

Article 59. A local council may be formed in each neighborhood on the basis of each administrative quarter being represented by six members.

Article 60. The Local Neighborhood Council shall choose at its first meeting of its ordinary session from among its members and for the term of that session a chairman and a vice-chairman, from among its members, at least one of whom shall be a farmer or workman. They shall serve for the term of office of the Neighborhood Council. The vice-chairman will replace the chairman in his absence. If both are absent, the oldest of the members will take the chair. If either of these positions becomes vacant the Neighborhood Council shall choose a person who will replace him for the rest of the term.

Article 61. The Local Council of the neighborhood shall assume the control and supervision over the various utilities of local character in the district, within the scope of the general policy of the town and will be concerned, within the scope of the laws and regulations, with the matters specified in clauses 1 to 7 of Article 41, for the area of the district.

Article 62. Every neighborhood of the town will undertake within its boundaries the collection of the revenues enumerated in Article 51, for the account of the metropolis, with the exception of the revenues which the Neighborhood Council decides shall be collected by other organs of the metropolis directly or by the relevant governmental organs.

The Local Council of the town will set the budget/funds covering the expenses of every neighborhood.

Chapter II - The Chief of the Neighborhood

Article 63. Every neighborhood shall have a chief who shall have the powers of head of administrative and financial matters. The chief of the neighborhood shall, before entering upon the exercise of his functions, take the oath stated in Article 27, in front of the Neighborhood Council.

Article 64. An executive committee shall be formed in every neighborhood, to be presided over by the chief of the neighborhood and with its membership composed of:

1) The Directors of the services and production sections of the neighborhood who are designated by the executive regulation.

2) The Secretary of the neighborhood, who will be the Secretary of the Committee.

The chairmen of the committees of the Local Council of the neighborhood will take part in this committee without prejudice to their right of exercise of control according to the provisions of this law and its executive regulation.

The committee shall be convened, by an invitation of its chairman, at least once every fortnight/two weeks in the place to be designated by him. In case of absence of the chairman, he will be replaced by the most senior director of a section.

Article 65. The executive committee shall assist the chief of the neighborhood in the elaboration of the administrative and financial plans necessary for putting the decisions and recommendations of the Neighborhood Council into execution.

It will also study and investigage all matters referred to it by the Neighborhood Council or its head. It will also undertake the following, within the scope of existing laws and regulations:

1. Control of collection of the revenues mentioned in Article 5.

2. Assistance of local institutions and bodies.

3. Making of rules ensuring the proper conduct of the work in the administrative and executive sections of the neighborhoods.

Part VI

Villages

Chapter 1 - Formation of Village Councils

Article 66. A local council shall be formed in every village. It shall be composed of 16 members.

However, if the jurisdiction of the local unit of the village comprises a group of neighboring villages, the main village in which the office of the council is located shall be represented by at least four members, and the remaining villages by at least one member for each.

In all cases, the number of members of the Village Council shall not be less than 16, in observance of the rules laid down by the regulation executing this law.

Article 67. The village council shall at its first meeting shall choose a chairman and a vice-chairman, at least one of whom shall be a farmer or a workman. These officers shall be in office for the term of the Council.

The vice-chairman shall replace the chairman in his absence. In case of absence of both, the oldest of the members shall have the chair. If the position of any of the officers becomes vacant, the Village Council shall choose a person to replace him for the remainder of his term.

Article 68. The Village Council shall assume, within the scope of the general policy of the district, the control and supervision over all the local utilities within its jurisdiction and will be concerned, within the limits of laws and regulations, with the following:

1. Elaboration of the draft budget and the annual plan, execution of their implementation and approval of the draft final accounting/annual financial statement.

2. Suggestion of means for popular participation with its own activities and use of potentialities locally available for the increase of the prosperity of the village.

3. Actions towards development of awareness in agricultural field regarding new technologies and diversification of products.

4. Suggestions regarding the construction of the various public utilities in the village.

Chapter II - Financial Resources of the Villages

Article 69. The resources of the village comprise:

1. 75% of the original tax laid on the lands within the perimeter of the village and 75% of the receipts of the additional tax laid upon these lands.
2. Taxes and duties of a local character imposed by the Village Council according to the rules and proceedings laid down for Town Councils.
3. Receipts of the taxes on entertainment and gambling imposed in the area of the village.
4. Revenues from investment of the funds of the village and the utilities managed by it.
5. Other sources of the revenues of the governorate assigned by the Local Council of the governorate for the benefit of the village.
6. Government subsidies.
7. Donations, contributions and legacies.
8. Loans contracted by the Council.

Article 70. A special account for local services and development is to be instituted in every village, the resources of which will consist of the following:

1. 75% of the receipts of the duties imposed according to the provisions of Article 37 and collected within the area of the village.
2. The revenues from projects executed on the basis of the circulating capital in the area of the village.
3. Counterpart tax of ownership of buildings in the village constructed by the services account.
4. Rents of residences, constructions and utilities built by the services account.
5. The social services part of the profits of the agricultural cooperative in the village.
6. Donations, contributions, and legacies which the local council of the village approves their assignment to it.
7. Subsidies of international specialized agencies and their contributions.

Article 71. The revenues of the services and local development account of the village are to be used in the manner to be decided by the village council, for the following purposes:

1. Financing the production projects, and the local services, according to the local plan to be laid down and approved by the local council of the governorate within the general plan of the State.
2. Completion of the projects included in the general plan, where the funds allocated for them in the village budget do not suffice for their completion, and also construction of the

projects to be executed by as activities of the village according to the priorities to be arranged by the local council of the village and approved by the local council of the governorate.

3. Increasing the level of performance of the local services.

A decision of the Minister for Local Administration shall be establishing this account. The funds of that account are to be treated as public funds particularly as regards the application of the provisions of the penal law concerning collection, expenditures and management. The surplus balance of the funds of this account do not devolve to the public treasury.

Chapter III - The Head of the Village

Article 72. Every village shall have a head vested with the powers of the head of an administration for financial and administrative matters with regard to the organs and budget of the village. The Head shall, before entering on the exercise of his duties, take the oath contained in Article 37 before the local council of the village.

Article 73. An executive committee shall be formed in each village. It shall be presided over by the head of the village and with the membership of:

1. The chiefs of the executive bodies within the area of the village, to be designated by the executive regulation.

2. The secretary of the village who will be the secretary of the committee.

The chairmen of committees of the village council shall participate in this committee without prejudice of their right for exercise of control according to the provisions of the law and its executive regulation.

This committee shall meet by a convocation of its chairman at least once every fortnight/two weeks in the place to be set by him. In case of the chairman's absence, he will be replaced by the most senior of the chiefs of the executive bodies.

Article 74. The executive committee shall be concerned with assisting the head of the village in the elaboration of the administrative and financial plans needed for putting the decision of the village council into execution.

It shall also undertake the study and investigation of such questions as are referred to it by the local village council or the head of the village.

This committee shall especially undertake the following within range of the laws and regulations:

1. Control of the collection of the revenues of the village of any kind.

2. Assisting the local utilities, organizations and equipments.

3. Making the rules ensuring the proper conduct of the work in the administrative and executive organs of the village.

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FOREIGN INVESTMENT LAW
(Law No. 43 of 1974)

IN THE NAME OF THE PEOPLE

THE PRESIDENT OF THE REPUBLIC

The People's Assembly has approved the following law, and it has been published.

Article 1. Arab and foreign investments and free zones are governed by the attached law.

Article 2. Matters not covered by this Law are subject to applicable laws and regulations.

Article 3. The Chairman of the Council of Ministers will issue Supplementing Regulations to this law according to the advice of the Board of Directors of the General Authority for Arab and Foreign Investment and the Free Zones.

Article 4. Law No. 65 of 1971 in regard to Arab Capital Investment and Free Zones is hereby repealed. Enterprises approved under said law shall continue to enjoy the rights and privileges granted thereunder if such are more generous than the rights and privileges stipulated in this law.

Enterprises approved prior to the implementation of said Law No. 65 of 1971 shall continue to enjoy the privileges and guarantees established thereunder prior to the implementation of the above-mentioned law.

Article 5. This Law shall be published in the Official Gazette and will receive the seal of the state and shall come into force from the date of its publication.

Chapter One

INVESTMENT OF ARAB AND FOREIGN CAPITAL

Article 1. The term "Project" in the application of the provisions of this Law shall mean any activity included within any of the spheres therein specified and approved by the Board of Directors of the General Authority for Arab and Foreign Investment and Free Zones.

Article 2. The term "Invested Capital" in the application of the provisions of this Law shall be deemed to mean the following:

1. Free foreign exchange duly transferred to the Arab Republic of Egypt at the official rate of exchange through a bank accredited to the Central Bank of Egypt for utilization in the execution or expansion of a project.

2. Machinery, equipment, transportation equipment, primary material and commodity requirements imported from abroad and necessary for the creation

or expansion of the project, provided that such are compatible with modern technological developments and have not been previously used, unless the Authority's Board of Directors grants exemption from such condition.

3. Intangible assets, such as patents and trade marks registered with the state or member states of the International Convention for the Protection of Industrial Property, or in accordance with the rules of international registration contained in the international conventions concluded in this respect and held by residents abroad and pertaining to the projects.

4. The free foreign exchange spent on preliminary studies, research, and incorporation and assumed by the investor within the limits approved by the Authority's Board of Directors.

5. Profits realized by the project if utilized in increasing its capital or if invested in another project, conditional on the approval of the Authority's Board of Directors in both cases.

6. The free foreign exchange transferred to the Arab Republic of Egypt at the official rate of exchange through a bank accredited to the Central Bank of Egypt and utilized to subscribe to Egyptian stock or to purchase same from the stock exchange in the Arab Republic of Egypt with the approval of the Authority's Board of Directors, and

7. The free foreign exchange transferred to the Arab Republic of Egypt at the official rate of exchange through a bank accredited to the Central Bank of Egypt and utilized in purchasing vacant land for the construction of buildings thereon pursuant to the provisions of this Law, even if purchased before obtaining the Board of Directors' approval as long as the act of purchase was effected according to the Law and on a date subsequent to the entering into force of Law No. 65 of 1971.

Article 3. Arab and foreign capital may be invested in the Arab Republic of Egypt when it is consistent with the objectives of economic and social development, in the framework of the state's general policy and national plans. Investment may be in the following fields:

1. Industrialization, mining, energy, tourism, transportation, and other fields.

2. Reclamation of barren land and cultivation thereof under long - term tenancy not exceeding 50 years, with a possible renewal after a proposal by the Authority and approval of the Ministers' Council for an additional 50 years, and projects for developing animal production and water wealth.

3. Projects for administrative and above average housing and projects for urban expansion, by which is meant investments in the construction of new buildings together with the public utilities connected therewith. The purchase of a building

already in existence or of vacant land is not to be deemed to be a "project" in the context of the provisions of this Law unless such was intended for construction or for rebuilding and not for the purpose of resale in order to benefit from an increase in market value. Such shall be without prejudice to the regulations governing the disposal and re-export of invested capital contained in this Law. It shall be required that the actual building be completed within the period specified by the Authority's Board of Directors, with no obligation on the part of the State to vacate such real property.

4. Investment companies which aim at utilizing funds in the fields enumerated in this Law.

5. Investment banks and business banks and re-insurance companies whose activities shall be confined to transactions effected in free currencies. They themselves may undertake to finance investments, whether they are in projects in the free zones or for local, joint or foreign projects established within the Arab Republic of Egypt. They may also finance Egyptian foreign trade transactions, and

6. Banks engaging in local currency transactions, so long as they are in the form of joint ventures in which local Egyptian capital holds at least 51%.

Special priority shall be given to those projects which are designed to generate exports, encourage tourism, or reduce the need to import basic commodities, as well as to projects which require advanced technical expertise or which make use of patents or trademarks of worldwide reputation.

Article 4. The capital invested in the Arab Republic of Egypt under the provisions of this Law shall take the form of participation with public or private Egyptian capital such fields and under such terms and conditions as are set forth in Articles 2 and 3 thereof.

A. Housing projects may be undertaken only by Arab capital; foreign capital may not undertake housing projects even in participation with Egyptian capital.

The term "Arab capital" shall mean such capital as is owned by a natural person having the nationality of an Arab country, or a juridical person, provided that the majority of his capital shall be held by citizens of one or more Arab countries.

B. Arab or foreign capital may operate without local participation in investment banks and business banks whose activities are confined to transactions effected in free currencies so long as they take the form of branches of firms with principal offices abroad.

C. The Authority's Board of Directors, by a two-thirds majority vote of its members, may concur in the investment of Arab or foreign capital without local participation in other fields.

Article 5. No real property may be expropriated for the purpose of building investment projects unless such is deemed to be a public utility pursuant to the Law.

Article 6. Capital invested in the Arab Republic of Egypt under the provisions of this Law, irrespective of the nationality or domicile of its owner, shall enjoy the guarantees and privileges set forth in this Law.

Article 7. Projects may not be nationalized or expropriated nor may invested capital be confiscated, seized, or sequestrated except through lawful process.

Article 8. Investment disputes in respect of the implementation of the provisions of this Law shall be settled in a manner to be agreed upon with the investor, or within the framework of the agreements in force between the Arab Republic of Egypt and the investor's home country, or within the framework of the Convention for the Settlement of Investment Disputes between the State and the nationals of other countries to which Egypt has adhered by virtue of Law No. 90 of 1971, where such Law applies.

Disputes may be settled through arbitration. An Arbitration Board shall be constituted, comprising a member on behalf of each disputing party and a third member acting as an umpire to be jointly named by the said two members. Failing agreement on the nomination of the third member within thirty days of the appointment of the second member, the umpire shall be chosen, at the request of either party, by the Supreme Council of Judicial Bodies from among counsellors of the judiciary in the Arab Republic of Egypt.

The Arbitration Board shall lay down its rules of procedure unrestricted by the rules contained in the Civil and Commercial Procedures Code, save the rules which relate the basic guarantees and principles of litigation. The Board shall see to it that the dispute is expediently resolved. Awards shall be rendered by majority vote and shall be final and binding on both parties and enforceable as any other final judgments.

Article 9. Companies enjoying the provisions of this Law shall be deemed to belong to the private sector of the economy, irrespective of the legal nature of the indigenous capital participating therein. Legislation, regulations, and statutes of the public sector of the economy and its employees shall not apply to said companies.

Article 10. Projects enjoying the provisions of this Law shall not be subject to Law No. 73 of 1973 in connection with the conditions and procedures for electing labor representatives to the Board of Directors of public sector organizations, joint-stock companies, and private associations and corporations.

Article 11. Projects shall be exempted from Law 113 of 1961 concerning the labor force, but they shall be subject to the provisions of Law No. 26 of 1954 concerning employees, regardless of whether the project is a joint stock company, a partnership or a company with limited liability. Employees therein shall be subjected to the provision of the Social Insurance Law, unless a better insurance system is guaranteed by the enterprise.

B

Article 12. Companies enjoying the provisions of this Law shall be exempted from the provisions of Article 14, paragraph 5, of Law No. 26 of 1954 in connection with certain regulations governing joint stock companies, partnerships, and companies with limited liability, according to which a percentage of the net profits of such companies is to be distributed annually among employees and labor in accordance with the rules proposed by the company's Board of Directors and approved by the General Assembly. Such companies shall also be exempt from the provisions of Article 2, paragraph 1; Article 21, paragraph 2, concerning the number of members of the Board of Directors; Articles 29 and 31 concerning foreign employees; Articles 33 and 14, paragraph 4, of the said Law No. 26 of 1954.

Companies shall enjoy the exemptions provided in Articles 11, paragraph 3, of Law No. 26 of 1954.

Article 13. Banks enjoying the provisions of this Law shall be exempted from the provisions of Article 21, paragraph (a) and (c), of the Law of Banks and Credits enacted by Law No. 163 of 1957.

Likewise, investment and business banks and reinsurance companies, referred to in Article 3, paragraph 5, hereof, shall be exempted from the provisions of the laws, regulations, and resolutions regulating control of exchange transactions.

Article 14. In exemption from the provisions of Law No. 80 of 1947 concerning control of exchange transactions, a project shall have the right to maintain a foreign exchange account or accounts with banks accredited to the Central Bank of Egypt in the Arab Republic of Egypt. On the credit side of such account or accounts shall be entered the balance of the capital paid in foreign currencies, the foreign loans, and any other funds of the project so long as they are transferred in foreign currencies from abroad, and also the proceeds of the visible and invisible exports of the enterprise within such limits as are approved by the Authority.

The project shall have the right, without special permit or authorization, to utilize the said account in transferring the amounts authorized under the provisions of this Law for payment for imports of commodities and investment goods necessary for the operation of the enterprise, and for meeting invisible expenses in connection with such imports, and for the payment of interest and principal on foreign loans as they become due from the project, and for settling any other expenses necessary for the project.

The project shall submit to the Authority a report every three months indicating the movement in this account, together with such documents and details as the Authority may request to ascertain that the utilization has been in compliance with the purposes set forth in the Law.

Article 15. In exemption from the provisions of the laws, regulations, and resolutions governing imports, enterprises enjoying the provisions of this Law shall be allowed to import, on condition of inspection but without a license, whether by themselves or through a third party, anything that might be needed for the installation or operation of the

production facilities, material, machinery, equipment, spare parts, and transportation equipment, compatible with the nature of their activities. Such operations shall be exempted from the procedure requiring submission to a committee for action thereupon, but there shall be no obligation on the part of the Government to provide the foreign exchange necessary for the importing operations beyond the bank accounts mentioned in the preceding Article.

Article 16. The profits of projects shall be exempted from the tax on commercial and industrial profits and the taxes appendant thereto and, likewise, the stock shall be exempted from the proportional fiscal stamp duty and the tax on the revenues from movable captial as well as the taxes appendant thereto, such exemptions to be for a period of five years from the first tax year following initial production or engagement in activities, as the case may be. Such exemption shall apply for the same period to the proceeds of the profits which are re-invested in the enterprise.

These exemptions shall remain applicable only as long as the profits of the projects are not, as a consequence, subject to taxation in the foreign investor's home country or in any other country.

By resolution of the Council of Ministers, the period of exemption may be extended for a further period of three years if such is required by consideration of the public interest and dependent on the nature of the project, its geographical location, the extent of its significance to economic development, the volume of its capital, and the extent to which it participates in exploiting natural resources and increasing exports.

Also, by resolution of the Minister of Finance at the request of the Authority, the machinery, equipment, and transportation equipment necessary for certain desirable projects within the framework of the provisions of this Law may be exempted from taxes, customs duties, and any other taxes and dues.

Article 17. Without prejudice to the provisions of Article 16, the profits distributed by each project shall be exempt from the general tax on income. This exemption applies only to profits up to a maximum of 5% of the shareholders share of invested capital.

Article 18. Interest due on the foreign loans concluded by the project shall be exempted from all taxes and dues. Such exemption shall apply as well to the interest on foreign loans concluded by the Egyptian participant to finance his share in the project.

Article 19. Residential buildings constructed under the provisions of this Law shall not be subject to the rules limiting rents as stipulated in the laws governing rental of premises.

Article 20. Foreign experts and employees brought from abroad to work in any of the projects enjoying the provisions of this Law shall be permitted to transfer from Egypt a portion of the wages, salaries, and honoraria which they receive in the Republic of Egypt, provided the percentage shall not exceed fifty percent of their gross earnings.

Article 21. Parties concerned may request re-export of the funds enjoying the provisions of this Law, or disposal thereof, with the approval of the Authority's Board of Directors under the following conditions:

1. If five years have passed since the invested capital was brought into the country, according to the date indicated in the registration certificate, if it is discovered that the acceptable project for which the funds have been transferred cannot be implemented or continued for reasons beyond the control of the investor, or for other extraordinary circumstances, according to the assessment of the Authority's Board of Directors, unless the Authority's Board of Directors decides to forego this condition.

2. The investor's funds registered with the Authority may be disposed of to another party, following approval on each individual case by the Authority, through transferring free foreign currency to the Arab Republic of Egypt via a bank accredited to the Central Bank of Egypt. The party in favor of which such funds are transferred shall replace the original investor in enjoying the provisions of this Law. Nevertheless, an investor may, with the approval of the Authority's Board of Directors, dispose of his funds as registered with the Authority or dispose of part thereof in favor of a third party in local currency. In such event, the party in favor of which such disposal has taken place shall not enjoy the provisions of this Law.

3. Invested capital may be transferred abroad in five annual equal installments in the same currency originally received and at the rate of exchange prevailing at the time of transfer. By way of exception, the invested capital may be transferred in full under the provisions of this Article if its investors had disposed thereof in exchange for free foreign currency actually transferred into the Arab Republic of Egypt under item (2), paragraph one, of this Article.

4. Transfer of the invested capital shall be limited to the value of the investment at the time of liquidation or disposal, with a maximum not exceeding the value of the invested capital as registered when imported plus a rate to be fixed by the Authority's Board of Directors to meet any rise that might have occured in the value of the invested capital.

5. If the funds were brought in kind, they may be re-exported in the same manner as originally brought.

Article 22. The Authority's approval of a certain project shall include the rules for transferring the investment's profits abroad if so requested by the investor, along the following lines:

1. Projects realising self-sufficiency in their foreign currency needs, whose earnings from visible or invisible exports cover all elements

of their requirements such as imports of machinery, equipment, production facilities, and material, and pay all foreign loans and interest, may be permitted to transfer their annual net profits within the limits of the proceeds of the project's exports.

2. Basic projects with major significance to the national economy where no exports are contemplated may be permitted to transfer the net profits from the investment in full.

3. Housing, the rents of which are payable in foreign currency, may be allowed to transfer their net revenue in full.

   Housing, the rents of which are payable in local currency, may transfer net revenue up to 6% per annum of the invested capital. Amounts of said net revenue which are not transferred shall be permitted to be reinvested up to a further 6% per annum. The funds reinvested under this provision shall be considered as invested capital in the sense of this Law.

4. The Government will not be obliged to allow the transfer of the revenue of projects of which the total value is less than fifty thousand pounds.

Chapter Two

JOINT VENTURES

Article 23. Joint ventures created under the provisions of this Law in the form of joint - stock or limited liability companies shall specify in their Articles of Incorporation the names of their respective contracting parties, the legal form of the company, its name, purpose of activities, duration, capital, percentage of participation by indigenous, Arab, and foreign parties, methods of subscription therein, rights and liabilities of partners, and other provisions. The General Authority for Arab and Foreign Investment and Free Zones shall review and approve the Articles of Incorporation under the provisions of this Law.

Statutes of the company shall be patterned after the model adopted by resolution of the Council of Ministers on the basis of a proposal by the Board of Directors of the General Authority for Arab and Foreign Investment and Free Zones, taking into consideration the privileges, guarantees, and exemptions laid down in this Law.

Article 24. The statutes of joint-stock companies created under the provisions of this Law shall be promulgated by means of a resolution of the President of the Republic. Such companies shall enjoy a juridical personality as from the date of publication of their statutes and Articles of Incorporation pursuant to the Implementing Regulations of this Law. The foregoing provisions shall apply to any amendment of the company's statutes.

GENERAL AUTHORITY FOR ARAB AND FOREIGN INVESTMENT AND FREE ZONES

Article 25. A general authority, reporting to the First Deputy President of the Council of Ministers and supervised by the Chairman of the Organization for Arab and International Economic Cooperation, who presides over its Board of Directors, is hereby created under the name "The General Authority for Arab and Foreign Investment and Free Zones", hereinafter referred to as the "Authority", and whose principal offices shall be in the city of Cairo. It may maintain offices outside the Arab Republic of Egypt.

The Authority shall enjoy a judicial personality and its Board of Directors shall be named by resolution of the President of the Republic.

The Board of Directors shall be the prevailing authority in all matters of the Authority and shall discharge its duties and lay down the general policy to be pursued. It may adopt any resolution deemed conducive to the achievement of the objectives for which the Authority was created.

By Resolution of the President of the Republic, a Deputy shall be appointed as the Authority's Chairman of the Board of Directors, who shall act as its General Manager and preside over the Authority's executive machinery consisting of technical and administrative employees appointed pursuant to the organizational structure adopted by the Board of Directors.

The Deputy Chairman of the Board of Directors shall direct the Authority, settle its business, and represent it before courts and other parties.

The Board of Directors may delegate to the Chairman or Deputy Chairman part of its duties. The Chairman, Deputy Chairman, and principal officers named by the Board shall have the right of signature on behalf of the Authority.

Article 26. The Authority shall be competent to implement the provisions of this Law, more specifically, to perform the following:

1. Study the laws, regulations, and resolutions in connection with Arab and foreign investment in the Arab Republic of Egypt and the Free Zones created therein and submit such proposals as are deemed appropriate in this regard.

2. Prepare lists covering types of activities and projects in the participation of which Arab and foreign capital may be invited. Such lists shall be ratified by the Council of Ministers upon approval by the Authority's Board of Directors.

3. Offer projects for investment by Arab and foreign capital and render advice in connection therewith, familiarize international capital markets and capital exporting countries with the approved lists and projects offered for Arab and foreign investments as well as the conditions and privileges enjoyed by

incoming capital when invested within the country and the free zones to be established.

4. Review applications submitted by investors and present the outcome to the Authority's Board of Directors for action thereupon.

5. Register incoming capital in terms of the original currency units, if in cash, and also register the shares in kind and the intangible assets in the light of documents submitted, world prices, and the opinion of specialized experts, and reevaluate the invested capital at the time of disposal thereof, or liquidation for the purpose of re-exportation or remittance thereof.

6. Approve remittance of net profits following examination of the documents which reflect the project's financial position and ascertain, in particular, that all reserves and allocations have been set aside pursuant to laws and standard accounting principles, and also that taxes have been paid upon the expiration of the period of exemption provided in this Law.

7. Facilitate procurement of permits necessary for executing Arab and foreign capital investment projects, including all necessary administrative permits, especially residence permits for businessmen, experts, and foremen recruited overseas for working in projects enjoying the provisions of this Law.

Regulations will govern the procedures, processes, and work of the Authority as described in this Law.

Article 27. Applications for investment shall be submitted to the Authority. An application shall specify the amount of capital to be invested and the nature thereof, as well as such other particulars as are required to portray the whole structure of the project covered by the application.

The Authority's Board of Directors shall have the power to approval shall lapse if the investor fails to take serious. Such approval shall lapse if the investor fails to take serious measures to carry out his project within six months of obtaining such approval, unless the Board grants renewal for a further period not exceeding six months.

Article 28. The Authority shall have a separate budget prepared according to the rules customary in commercial enterprises, unrestricted by the provisions governing the budgets of public authorities and public corporations.

Article 29. The revenues of the Authority shall consist of the following:

1. Credits allocated by the state,

2. Revenues derived from its activities,

3. Charges for services rendered by the Authority.

It may receive such revenues in free foreign currency pursuant to the rules adopted by the Board of Directors, and

4.. Local or foreign loans when approved according to Law.

Chapter Four

FREE ZONES

Article 30. The Authority's Board of Directors may, upon approval by the Council of Ministers, establish public free zones for the creation of projects authorized under the provisions of this Law. Each public free zone shall have a legal personality.

By resolution of the Authority's Board of Directors, private free zones may be created exclusively for a single project. In all circumstances, the resolution shall indicate the location and boundaries of the zone.

Article 31. The Authority's Board of Directors is the supreme authority controlling the affairs of the free zones and laying down the general policy to be pursued. The Board may adopt any resolution deemed necessary for the purpose for which such zones have been created, within the limits prescribed by this Law. More specifically, it may:

1. Coordinate policies and formulate the general planning of free zones in conjunction with the competent administrative authorities.

2. Acquire land, converting it to public or private free zones.

3. Approve balance sheets and closing accounts of free zones.

4. Assume the functions of the Board of Directors responsible for each public free zone as set forth in Article 33 hereof until the Board of Directors of such public free zone has been constituted, and

5. Supervise private free zones until the Board decides to affiliate such private free zones to a public free zone.

Article 32. The Authority's Board of Directors shall lay down the supplementing regulations which govern activities within the free zones from the financial, administrative, and technical aspects, more specifically, as concerns the rules applicable to companies and projects operating within the free zones, and also the rules governing ingress and egress and registration of goods, examination of documents, auditing and controlling, and also policing the zone and collection of leviable dues.

Article 33. Each public free zone shall be directed by a Board of Directors which shall be constituted and its Chairman shall be appointed by resolution of the Authority's Board of Directors.

The Board of Directors of the public free zone shall be competent to implement the provisions of this Law and its supplementing regulations in all matters pertaining to such zone, more specifically the following:

1. It shall authorize occupation of lands and real property or rental of real property owned by a third party in the free zone.

2. It shall decide on offers submitted by Arab and foreign capitalists according to the rules laid down by the Authority's Board of Directors.

3. It shall establish, operate, and exploit stores, warehouses, and areas for shipping, unloading, and warehousing operations.

4. It shall provide instruments and equipment necessary for facilitating operations and projects created within the free zone.

5. It shall provide such services as may be needed by the projects created in the free zone in return for charges to be fixed by the Board, and;

6. It shall supervise the private free zones affiliated thereto by resolution of the Authority's Board of Directors.

Article 34. Permits for the occupation of free zones or part thereof shall specify the purposes for which they were granted, the validity thereof, and the financial guarantee paid by the licensee. Exemptions and privileges stipulated in this chapter may not be enjoyed except within the limits of the purposes indicated in such license.

A license for the occupation of a free zone shall be of a personal nature. The person in whose name a license is issued may not assign all or part thereof or invite participation by a third party therein unless such is approved by the authority granting the license.

Article 35. Licenses in the free zones may be granted for the performance of the following:

1. Storage of transit goods as well as indigenous tax-free goods destined for export and foreign goods arriving without import duties, all without prejudice to the law and regulations in force in the Arab Republic of Egypt in connection with goods the circulation of which is prohibited.

2. Sorting, cleaning, mixing, and blending, even with local goods, repacking and similar operations which adopt the condition of goods warehoused in the free zones to the requirements of trade, and processing such goods to meet market requirements.

3. Any manufacturing, assembling, mounting, processing, renewing, or any other operations which need the advantage of a free zone to benefit from the country's geographical position, and.

5. Engaging in any trade warranted by the activities within the free zone or intended for the comfort of the employees in the zone.

Article 36. With due regard to the provisions of laws and regulations regarding the ban on circulation of certain goods or materials, goods exported from or imported into the

free zone shall not be subject to the normal customs and other taxes and duties on exports or imports, except as may be provided in this Law. Likewise, all instruments, equipment, and machinery necessary for authorized establishments within this zone shall be exempted from customs and other taxes and dues.

The supplementing regulation of the free zones shall specify the procedures for moving goods from the moment they are unloaded until their arrival at the free zones and vice-versa.

Export and other taxes and duties shall be levied on local goods and material upon entering the free zone after completion of the export formalities.

The Deputy Chairman of the Board of the Authority or any authorized Chairman of the Board of the public free zones may permit temporary entry of local goods into the free zone for repair or complementary operations thereon, provided that a customs tax shall be exacted in respect of the repair or complementary operation in compliance with customs regulations.

Likewise, the Authority's Deputy Chairman of the Board or any authorized Chairman of the Board of the public free zones may permit temporary entry of free zone goods into the country for repair or complementary operations thereon.

Article 37. Taxes and customs duties shall be payable in respect of goods withdrawn from the free zone for local consumption as though such were imported from abroad depending on their condition after manufacturing, with due regard to the rules and procedures governing imports. However, goods containing local material shall be exempted from such taxes and duties in proportion to the local material used in their manufacture. By way of exception from import procedures, the Authority's Deputy Chairman of the Board, or any authorized Chairman of the Board of the public free zones, may permit withdrawal into the country of leftovers, ordinary containers, and empty receptacles after paying the customs duties and taxes due thereon.

He shall have the right to dispose of the above items at the expense of the party concerned should their continued presence in the free zone result in harmful effects on the health or on discipline within the zone.

The Authority's Chairman of the Board or any authorized Chairman of the Board of the public free zones may authorize entry into the country of products not fit for export or scraps resulting from the manufacturing operations within the free zone, provided that the taxes and customs duties are paid thereon, on condition that no competition with national industries results.

Article 38. Goods entering the free zone shall be subject to no restriction as to the duration of their stay therein, nor shall imports into or exports from the free zone be subject to any import or export restriction.

Article 39. Employees of the Authority and free zones appointed by resolution of the Minister of Justice on the basis of a request from the Authority's Chairman of the Board shall possess the capacity of judicial officers

within the limits of their functions. The Authority's Deputy Chairman of the Board, or any person so authorized, may request the Public Prosecutor to authorize the judicial officers to inspect any part of the free zone or conduct investigations, whenever such is warranted.

Article 40. By exception to the provisions of Law No. 66 of 1963 enacting the Customs Code, the Customs Administration shall advise the Chairman of the Board of the free zone of any cases of unaccounted shortage or surplus in the goods manifested in the bills of lading, whether in the number of packages or their contents or packed or loose goods if consigned to the free zone.

By resolution of the Authority's Board of Directors, responsibility for the cases specified in the preceding paragraph and percentages of allow ces shall be regulated.

Article 41. Those authorized to operate under the provisions of this Chapter shall be liable for procuring insurance coverage for buildings, equipment, and machinery against all hazards. They shall also be bound to remove same at their own expense within such period as may be fixed by the Chairman of the Board of the free zone calculated from the date of expiration of their licenses, unless the Board of the free zone elects to purchase same there-from.

Article 42. Free zones may not be entered nor used for residence without special permit from the Authority. The supplementing regulation shall lay down the terms and conditions for granting such permits. Egyptian currency may not be introduced into or taken out of the free zone except under such terms and conditions as may be set forth in the supplementing regulation.

The regulation shall also fix the charges for occupying areas in which goods are deposited.

Article 43. Marine transport projects established in the free zones shall be exempted from the conditions concerning the nationality of the ship owner and crew stipulated in the Merchant Marine code and in Law No. 84 of 1949 in connection with the registration of vessels. Likewise, they will be exempted from the Law establishing the Egyptian General Corporation for Maritime Transport.

Article 44. The free zones shall be subject to the provisions of Egyptian legislation where no special provision is made in this Law, more particularly the legislation governing health quarantine procedures, health fees, and protection of plants against epidemics and parasites. The Authority's Board of Directors shall lay down the implementing rules for the application of the provisions of such legislation within the free zone.

Article 45. Disputes arising between projects established in free zones, or arising between such projects and the Authority or any other authorities or administrative bodies connected with the business activities within the zone, may be submitted, by agreement, to arbitration.

An Arbitration Board shall be constitued to decide on the dispute in accordance with the rules and pursuant to the measures stipulated in Article 8 hereof.

The Arbitration Board may also examine disputes arising between projects existing in the free zone and natural or jurudicial persons, whether indigenous or alien, if such persons agree to refer the dispute to the Arbitration Board before or after it arises.

Article 46. Without prejudice to the provisions of this Law, projects created in the free zone shall be exempt from the provisions of tax Laws in the Arab Republic of Egypt.

Nevertheless, such projects shall be subject to an annual duty of one percent of the value of goods entering the free zone or leaving there from the account of the project. Likewise projects the major activities of which do not require ingress or egress of commodities shall be subject to an annual duty to be fixed by the Board of Directors of the Authority with due consideration to the nature and volume of activities and not exceeding three percent of the annual value added of the project.

Article 47. Payments subject to tax on income, such as wages, salaries, honoraria, and the like, paid by projects existing within the free zones to their expatriate employees shall be exempted from the general tax on income.

Article 48. Provisions of Articles 6 and 7 of this Law shall apply to the capital authorized in the free zone.

Article 49. Transactions carried out in the free zone or between such zones and other countries shall not be subject to the provisions of exchange control Laws.

Article 50. Companies with activities in the free zones shall not be subject to the rules stipulated in Laws No. 26 of 1954 and No. 73 of 1973 referred to above. Statutes of the companies created in the free zones shall be patterned after the model formulated by the Council of Ministers or the basis of a proposal by the Authority's Board of Directors. The statutes of such companies shall be enacted by resolution of the President of the Republic and shall enjoy a juridical personality from the date of publication of their statutes and Articles of Incorporation.

The above provision shall apply to any amendment in company statutes.

Article 51. Provisions of Law No. 173 of 1958 requiring an Egyptian to obtain a permit from the competent authorities prior to taking up employment with foreign organizations shall not apply to Egyptian employees engaged by projects and establishments enjoying the provisions of this Chapter.

Article 52. No employment may be taken up in the free zone except after obtaining a permit from the zone's Chairman of the Board under such terms and conditions as are specified in the supplementing regulation of the free zones and upon payment of a fee to be fixed in such regulation with a maximum of five hundred Egyptian pounds annually.

Article 53. Contracts of Employment concluded with employees of Egyptian nationality shall be drawn in triplicate

in the Arabic language, each party retaining a copy thereof and the third copy to be deposited with the Administration of the free zone. Contracts shall specify the type of work, duration thereof, and agreed wage.

A translation of said Contract may be appended in a foreign language.

The employer shall file with the Administration of the free zone a copy translated into English or French of the Contracts of Employment concluded with expatriate employees within one week from the date the employee takes up employment.

Article 54. Projects established in the free zone shall develop opportunities and prepare appropriate training programs for the training of employees having Egyptian nationality in order that they may become skilled labor.

Article 55. The Supplementing Regulation shall lay down the rules applying to employees in the projects authorized to operate in the free zones, more specifically the following:

1. Fixing the proportion of employees having Egyptian nationality.
2. Fixing the minimum wages provided they do not fall below the minimum wages applicable in the Arab Republic of Egypt.
3. Fixing daily hours of work and weekly holidays provided the hours of work may not exceed 42 hours per week.
4. Fixing overtime and pay due therefore.
5. Specifying the social and medical services rendered by the enterprises to their employees and the necessary precautions to protect them during work.
6. Specifying the length of all kinds of vacations and wages payable in lieu thereof.
7. Specifying the general principles of discipline, discharge, and compensation of employees.

Article 56. Employees in projects performing activities in the free zones and with Egyptian nationality shall be subject to the provisions of the social insurance Laws, unless the enterprise guarantees a superior insurance system.

Article 57. Without prejudice to any more severe penalty provided in any other Law, violation of Article 42 and 51 of the provisions of this Law shall be punishable by imprisonment for a term not exceeding six months or a fine not less than five pounds and not exceeding two hundred pounds or both penalties.

Any person violating any other provisions contained in this Law or in the Supplementing Regulation of the free zones shall be liable to a fine of not less than five pounds and not exceeding one hundred pounds.

No legal action may be brought in respect of the violations referred to in the preceding two paragraphs except upon request of the Authority's Chairman of the Board or any person authorized thereby. The Authority's Board of Directors or any authorized person appointed thereby may, in the course of litigation, effect conciliation as regards fines prescribed in this Law.

All fines ruled by a court in respect of offences against the provisions of this Law or paid by the contractor by way of conciliation shall revert to the Authority.

EGYPTIAN CIVIL CODE BOOK II
(Other Relevant Provisions)

Article 1. Provisions of laws govern all matters to which these provisions apply in letter or spirit.

In the absence of a provision of a law that is applicable, the Judge will decide according to custom and in the absence of custom in accordance with the principles of Moslem Law. In the absence of such principles, the Judge will apply the principles of natural justice and the rules of equity.

Article 2. A provision of a law can only be repealed by a subsequent law expressly providing for such repeal, or containing a provision inconsistent with a provision of the former law or regulating anew a matter previously regulated by a former law.

Property set aside for Public Utilities

Article 87. Immovable and movable property owned by the State or other public juristic persons and allocated either in fact or by virtue of a law or a decree for purposes of public utility, forms part of the public domain.

Such immovable and movable property is not alienable, is not liable to seizure nor to acquisition by prescription.

Article 88. Properties forming part of the public domain lose this status with the cessation of their allocation for public utility purposes. This cessation takes place by virtue of a law, or a decree, or in fact, or if the object of public utility for which they were allocated comes to an end.

Debt Obligations

Article 322. The sale of a mortgaged immovable property does not imply the transfer of the mortgage debt to the purchaser unless the agreement provides for such a transfer.

If the vendor and the purchaser agree to assign the debt and if the deed of sale is transcribed/registered, the creditor should, after notification to him by legal process of the assignment, ratify or refuse the assignment, within a period not exceeding six months. If he maintains silence up to the end of this period, such silence is equivalent to ratification.

Article 331. A third party holder of a mortgaged property who has paid all the mortgage debt and has been subrogated into the rights of the creditors, shall only have the right, by reason of such subrogation, to claim from the holder of another property mortgaged for the same debt the share of that holder in the debt proportional to the value of the immovable held by him.

Contracts for Work. Obligations of the Contractor

Article 651. The architect and contractor are jointly and severally responsible for a period of ten years for the total or partial demolition of constructions or other permanent works erected by them, even if such destruction is due to a defect in the ground itself, and even if the master authorized the erection of the defective construction, unless, in this case, the constructions were intended by the parties to last for less than ten years.

The warranty imposed by the preceding paragraph extends to defects in constructions and erections which endanger the solidity and security of the works.

The period of ten years runs from the date of delivery of the works.

This article does not apply to the rights of action which a contractor may have against his sub-contractors.

Article 652. An architect who only undertakes to prepare the plans without being entrusted with the supervision of their execution, is responsible only for defects resulting from his plans.

Article 653. Any clause tending to exclude or restrict the warranty of the architect and the contractor is void.

Article 654. Actions on the warranties above referred to are prescribed after three years from the date of the destruction of the works of the discovery of the defect.

LAND RIGHTS

EGYPTIAN CIVIL CODE BOOK III
(Real Property)

CHAPTER I. The Right of Ownership

Section 1. The right of ownership in general

1. Limits and Sanctions

Article 802. The owner of a thing has alone, within the limits of the law, the right to use, to enjoy and to dispose of it.

Article 803. The owner of a thing also owns everything that constitutes an essential element of the thing owned and which cannot be separated therefrom without the thing owned perishing, deteriorating or changing.

The ownership of land includes that which is above and below, as far as it can be usefully enjoyed in height and depth.

The ownership of the surface of the land may, by law or by agreement, be separated from that which is above it and that which is below it.

Article 804. In the absence of a provision of the law or an agreement to the contrary, ownership carries with it the right to all fruits, products and accessories of the thing owned.

Article 805. No one can be deprived of his property except in cases and in the manner provided for by law and upon payment of fair compensation.

2. Restrictions on the Right of Ownership

Article 806. An owner must, in the exercise of his rights, comply with the laws, decrees and regulations having for their object the interests of the public and of individuals. He must also observe the following provisions.

Article 807. The owner must not exercise his rights in an excessive manner detrimental to his neighbor's property.

The neighbor has no right of action against his neighbor for the usual unavoidable inconveniences resulting from neighborhood, but he may claim the suppression of such inconveniences/nuisances if they exceed the usual limits, taking into consideration in this connection custom, the nature of the properties, their respective situations and the use for which they are intended. A license issued by a competent authority is not a bar to the exercise of such a right of action.

Article 808. A person who constructs a private canal or drain in conformity with the regulations in force has the exclusive right to its use.

Neighboring owners may, however, use the canal or drain for the irrigation or the drainage required for their land after the owner of the canal or of the drain has used it to the satisfaction of his own needs. The neighboring owners must, in such a case, contribute to the cost of construction and of maintenance of the canal or drain, each in proportion to the area of land benefiting thereby.

Article 809. An owner must allow a passage through his land of the water necessary for the irrigation of land situated at a distance from the source of the water and of drainage water coming from neighboring properties, so that it may flow into the nearest public drain, provided that he is adequately compensated.

Article 810. When damage is caused to land by a canal or drain which crosses it, either by reason of failure to clear the drain or by reason of the bad state of its banks, the owner of the land has the right to claim adequate compensation for the damage done.

Article 811. In the absence of an agreement between the common users of a canal or a drain as to the execution of the necessary repairs, they may, upon the demand of one of them, be compelled to contribute to the cost of such repairs.

Article 812. An owner whose land is cut off from, or has no adequate exit on to, a public road, shall, if he cannot obtain an exit to the public road without great expense or great difficulty, have a right of way over the neighboring land as may be necessary for the normal working and use of his land and as long as his land continues to be so cut off, subject to payment of fair compensation. This right of way must be exercised over land and at the place where the passage causes the least possible damage.

If the land is cut off from the public road as a result of the property having been divided in consequence of a legal disposition, and it is possible to provide an adequate right of way over parts of the land so divided, the right o way can be claimed only over those parts.

Article 813. Every owner has the right to compel his neighbor to place boundary marks along the boundaries of their adjoining properties. The cost of such delimitation will be shared between them.

Article 814. An owner of a party wall has the right to make use of it for the purpose for which it was intended and to use it for the support of beams to carry his own roof, provided that the wall has not to support too great a weight for its strength.

When a party wall becomes unfit for the purpose for which it is normally intended, the cost of repairs or reconstruction will be borne by the co-proprietors in proportion to their respective shares.

Article 815. An owner may, if he has good reason to do so, heighten a party wall, provided that he does not thereby cause serious prejudice to his co-owner. He alone must bear the cost of heightening as well as of the maintenance of the part so heightened and carry out the necessary work, so that the wall may support the extra weight due to the heightening without its strength being diminished.

If the party wall is not able to support the heightening, the co-owner who desires to heighten the wall must reconstruct the wall entirely at his own cost, in such a way as the thickening shall, as far as possible, abut on his side. The reconstructed wall remains, apart from the heightened parts, a party wall, but the neighbor who has reheightened the wall cannot claim any compensation whatever.

Article 816. A neighbor who has not contributed to the expenses of heightening may become co-proprietor of the heightened part if he pays half the cost thereof and the value of half of the ground covered by the increased thickness, if any.

Article 817. In the absence of proof to the contrary, a wall which at the time of its construction separated two buildings is deemed to be a party wall up to the point at which it ceases to be a common wall to the two buildings.

Article 818. An owner cannot compel his neighbor to walk on his property or to assign to him a part of a wall or of the land on which the wall is constructed, except in a case provided for in Article 816.

An owner of a wall may not, however, demolish the wall on his own initiative if the demolition injures his neighbor whose property is closed in by it, unless he has good reason for so doing.

Article 819. A neighbor is not entitled to have a direct view over his neighbor at a distance of less than one meter. This distance is measured from the outside face of the wall in which the opening is made or from the outside line of the balcony or other projection.

If a direct view has been acquired by prescription of a distance of less than one meter over the property of a neighbor, such neighbor cannot himself build at a distance of less than one meter, measured in the manner indicated above, along the whole length of the building in which the view was opened.

Article 820. A neighbor is not entitled to have an oblique view over the property of his neighbor at a distance less than fifty (50) centimeters from the outside edge of the opening. This prohibition ceases to have effect if the oblique view over the neighboring property is at the same time a direct view over a public road.

Article 821. No distance is laid down for an opening for a light shaft if the base of the opening is above the limit of the normal height of a man and if the opening is intended only for air and light and cannot give a view over the neighboring property.

Article 822. Factories, wells, steam engines and establishments injurious to neighbors must be constructed at the distance and subject to conditions laid down by regulations.

Article 823. If a contract or a will contains a clause stipulating the inalienability of a property, such a clause will only be valid if based on a legitimate reason and limited to a reasonable duration.

The reason is deemed to be legitimate if the inalienability is stipulated with a view to protecting a lawful interest of the person disposing of the property or of the person in whose favor the property is disposed of, or of a third party.

A reasonable duration may extend for the life of the person disposing of, or the person in whose favor the property is disposed of, or of a third party.

Article 824. When the clause as to inalienability in the contract or in the will is valid in accordance with the provisions of the preceding article, any alienation contrary to such a clause is void.

3. Joint Ownership

Article 825. When two or more persons are owners of the same thing, but their respective shares are not divided, they are co-owners and, in the absence of proof to the contrary, their shares are deemed to be equal.

Article 826. Every co-owner in common is the absolute owner of his share. He may alienate his share and collect the fruits thereof and make use of his share provided the does not injure the rights of the other co-owners.

If, however, the alienation relates to a specific part in the property held in common, and such part does not come within the share of the settlor when a partition is made, the right of the acquiror is transferred to the part that has devolved on the settlor as a result of the partition with effect from the moment of the alienation. If the acquiror did not know that the settlor was not the owner of the specific part of the property which he has alienated he shall have the right to demand the cancellation of the alienation.

Article 827. In the absence of an agreement to the contrary, the management of a property held in common belongs jointly to all the owners in common.

Article 828. A decision taken by a majority of co-owners as to ordinary acts of management is binding on all of them. The majority shall be calculated on the basis of the value of their shares. Failing a majority, the Court may, upon the application of any one of the co-owners, take such measures as may be necessary in the circumstances and appoint, if needs be, a manager to manage the property owned in common.

The majority may select a manager and may also establish rules for the management and fuller enjoyment of the property owned in common, which rules shall also be binding upon the successors in title of all the co-owners whether such successors in title are universal or particular.

A co-owner who conducts the management of the joint property, without any objection being raised by the other co-owners, is considered to be their manager.

Article 829. Co-owners who possess at least three-quarters of the property held in common may decide, with a view to obtaining greater enjoyment of the property, to make essential modifications or changes in the use for which the property was intended which exceed the normal scope of management, provided that these decisions are notified to the other co-owners. Dissenting co-owners have a right of action in the Courts within two months from the date of notification.

The Court before which such an action is brought may, if it approves the decision taken by the majority, also order measures of expediency. The Court may, in particular, order that security be given to the dissenting co-owner so as to guarantee any compensation that may become due to him.

Article 830. Every co-owner may also, even without the consent of the other co-owners, take measures necessary for the preservation of the property in common.

Article 831. In the absence of any provision to the contrary, the cost of the management of a property held in common, as well as the cost of its preservation, the taxes payable thereon, and all other charges resulting from the common holding or connected with the property held in common, shall be borne by all the co-owners each proportionally to his share.

Article 832. Co-owners who possess three-quarters at least of the property held in common may decide to alienate the property, provided that their decision is founded on serious grounds and that the decision is notified to the other co-owners. A dissenting co-owner has a right of action before the Court within a delay of two months from the date of notification. The Court will decide, in accordance with the circumstances, in a case where the partition of the property held in common is contrary to the interests of the co-owners, whether the alienation of the property should be carried out.

Article 833. A co-owner of a movable or of a property consisting of movables and immovables may, before partition, repurchase any undivided shares which has been sold by another co-owner to a third person. Such repurchase must be made within a period of thirty days from the day on which he had knowledge of the sale or from the day on which notification of the sale was given to him. The right of repurchase is exercised by means of a summons sent to both the vendor and the purchaser. The co-owner who has repurchased the share sold will be subrogated into all the rights and obligations of the purchaser if he compensates him for all that he has spent.

If several co-owners exercise their right to repurchase, each of them shall have the right to repurchase a part proportional to his share.

The Cessation of Joint Ownership by Partition

Article 834. Every co-owner may demand the partition of property held in common, unless he is bound to remain a co-owner in common by reason of a provision of the law or of an agreement. It is not permitted, by agreement, to prohibit partition for a period exceeding five years. When the period stipulated does not exceed five years, the agreement shall bind a co-owner and his successors in title.

Article 835. Co-owners may, if they are all in agreement, divide the property held in common in whatever manner they deem fit. If one of them is subject to legal incapacity, the formalities laid down by law will have to be observed.

Article 836. If co-owners are not in agreement as regards the partition of the property held in common, the co-owner who wishes to withdraw from the joint ownership shall summon his co-owners to appear before the Summary Court.

The Court shall delegate, if need be, one or more experts to proceed with the valuation of the property held in common and to divide it into separate parts if the property can be divided into separate parts in kind without materially decreasing its value.

Article 837. The expert will proceed with the composition of the separate parts by taking as a basis the smallest share, even where the partition is only a partial one. If the partition cannot be effected in this manner, the expert may proceed directly to allot a separate part to each co-owner.

If one of the co-owners cannot obtain all his share in kind, he shall be compensated by a payment equal to the shortage in his share.

Article 838. The Summary Court will decide upon any disputes relating to the composition of the separate parts and any other disputes coming within its competence.

In the case of disputes which the Summary Court has not competence to settle, the Court will refer the parties to the Court of First Instance and will fix a date at which they must appear. The proceedings for partition will be held up until such disputes have been finally settled.

Article 839. Upon the disputes being disposed of and the separate lots allotted directly, the Summary Court will give judgment allocating to each owner the divided part which devolves on him.

If there has been no direct allotment of the separate lots, the partition of the property will be effected by drawing lots. The Court will draw up a proces-verbal thereof and give judgment allocating to each co-owner his divided part.

Article 840. If one of the co-owners is absent or under legal incapacity a judgment of partition which has become final will be ratified by the Court in accordance with the provisions of the law.

Article 841. When a property cannot be divided in kind or when such partition involves a serious diminution in the value of the property it shall be sold in the manner laid down by the Code of Procedure. Sale by auction will be restricted to the co-owners in common if they ask for it unanimously.

Article 842. The personal creditors of any co-owner may oppose a partition in kind or a sale by auction without their intervention in the proceedings. Such opposition must be notified to all the co-owners and has the effect of compelling the co-owners to join the opposing creditors in every stage of the proceedings, otherwise the partition will be without effect as regards such opposing creditors. In any case, inscribed creditors must be joined before an action for partition is introduced.

If the partition has already taken place, the creditors who have not intervened cannot attack it unless there has been fraud.

Article 843. Each co-partitioner is deemed to have been owner of the part of the property that falls to him from the day that he became co-owner in common and never to have been owner of the other parts.

Article 844. The co-partitioners warrant each other against interference or eviction due to a cause that existed previous to the partition. Each one of them is liable, in proportion to his share, to indemnify a co-partitioner entitled to such indemnity, on the basis of the value of the property at the moment of partition. If one of the co-partitioners happens to be insolvent, the share falling on him will be borne by the co-partitioner entitled to the indemnity and all the solvent co-partitioners.

No such warranty, however, exists when there is an express agreement waiving the warranty in the particular case which would have given rise to the warranty. The warranty also ceases to be binding if the eviction is due to a fault of the co-partitioner himself.

Article 845. Partition by agreement may be rescinded if one of the co-partitioners succeeds in proving that he has been injured to the extent of more than one-fifth of his share, on the basis of the value of the property at the time of the partition.

The action for rescission must be commenced within the year following the partition. The defendant can stop the action and prevent the new

partition, by giving the plaintiff the amount by which his share is short in money or in kind.

Article 846. By a provisional partition, co-owners agree to allot to each other the enjoyment of a divided part of the property equal to each of their shares in the property held in common in consideration of a renunciation in favor of each other of the right of enjoyment of the other parts. Such an agreement cannot be entered into for a period of more than five years. If no duration has been fixed, or the agreed period has expired, and no new agreement has been entered into, the period of the provisional partition will be for a year renewable, unless one of the co-owners gives notice of termination to his co-owners three months before the end of the current year.

If such a provisional partition remains in force for fifteen years, it is converted into a final partition, unless otherwise agreed by the co-owners. If one of the co-owners remains in possession of a divided share for fifteen years, such possession is presumed to have taken place as a result of a provisional partition.

Article 847. A provisional partition also takes place when the co-owners agree that each of them shall, the one after the other, enjoy all of the property held in common for a period corresponding to his share.

Article 848. A provisional partition is governed, as regards its validity as against third parties, the capacity of co-partitioners, their rights and obligations, and means of proof, by the provisions of the law relating to contracts of lease, in so far as they are not incompatible with the nature of such a partition.

Article 849. The co-owners may agree, during the process of a final partition, to enter into a provisional partition. Such provisional partition will remain in force until the conclusion of the final partition.

If the co-owners cannot reach an agreement for a provisional partition, such a partition may, upon the application of one of the co-owners, be ordered by the Summary Judge upon the advice, if necessary, of an expert.

Obligatory Joint Ownership

Article 850. The co-owners of a property held [illegible]n cannot demand its partition if it follows, from the [illegible] which the property is intended, that it should always r[illegible] common.

Family Joint Ownership

Article 851. The members of the same family who have a common occupation or interest may agree in writing to create a family joint ownership. This joint ownership consists either of an inheritance which the members of a family agree to leave wholly or partly in joint ownership or of any other property belonging to them which they agree to place in family joint ownership.

Article 852. A family joint ownership may be created by agreement for a period not exceeding fifteen years. Each one of the co-owners may, however, if there are serious grounds to do so, apply to the Court for authority to withdraw his share of the joint property before the end of the agreed term.

When no period is fixed for such joint ownership, each one of the co-owners may withdraw his share after six months from the day he gives notice to this effect to the other co-owners.

Article 853. Co-owners cannot demand partition so long as the family joint ownership continues, and no co-owner can dispose of his share in favor of a person who is not a member of the family without the consent of all the co-owners.

If a person who is not a member of the family acquires, as a result of a voluntary or forced alienation, the share of one of the co-owners, he only becomes a partner in the family joint ownership if he and the other co-owners consent thereto.

Article 854. Co-owners who own the majority in value of the shares, may appoint amongst themselves one or more managers. Subject to any agreement to the contrary, the manager may introduce such changes in the intended use of the property held in common as may ensure a better enjoyment of the property.

A manager may be discharged in the same manner as he was appointed, notwithstanding any agreement to the contrary. The Court may also, upon the demand of any owner, discharge him if there are serious grounds to do so.

Article 855. Subject to the preceding provisions, family joint ownership will be governed by the provisions of the law relating to joint property and to mandate.

Ownership of Storeys in Buildings

Article 856. In the absence of any provisions to the contrary in the title deeds, when the different storeys or various apartments of a building belong to different owners, such owners are considered co-owners of the ground and of the parts of the building intended for the common use of all, especially of the foundations, the main walls, the main entrances, yards, roofs, lifts, passages, corridors, the floor supports and pipes of all kinds with the exception of pipes inside the storeys or the apartments.

These parts of the building held in common cannot be divided; each of the owners has a share in these parts in proportion to the value of his share in the building. No owner can dispose of his share in the parts held in common independently of his share in the building.

The inner walls which separate two apartments belong as party property to the owners of these two apartments.

Article 857. Every owner may, with a view to enjoying his part of the building, utilize the parts held in common, in accordance with the use for which they are intended, provided he does not prevent the other owners exercising their rights.

No modification can be made to the parts held in common, even in the event of reconstruction, without the consent of all the owners, unless such modification, made by one of the owners at his own cost, is of such a nature as to facilitate the use of the parts held in common, does not change the use to which they were intended and is not prejudicial to the other owners.

Article 858. Every owner must participate in the cost of the preservation, maintenance, management and reconstruction of the parts held in

common. Subject to any agreement to the contrary, the share of every owner in these costs will be calculated in proportion to the value of his share in the building.

No owner can renounce his share in the parts held in common, with a view to avoiding participation in the costs referred to above.

Article 859. The owner of a lower storey is bound to execute works and repairs necessary to prevent the higher storey from falling.

If he refuses to execute the necessary repairs, the Judge may order the sale of the lower storey. In any case, the "Juge des Referes" may order the execution of urgent repairs.

Article 860. If the building falls down, the owner of the lower storey is bound to rebuild his storey, failing which, the Judge may order the sale of the lower storey, unless the owner of the upper storey offers to rebuild the lower storey himself at the cost of the owner of the lower storey.

In this latter event, the owner of the upper storey may refuse to allow the owner of the lower storey to occupy or to make use of his storey until he has repaid the amount of his debt. He may also obtain authority to let or to occupy the lower storey in repayment of the amount due to him.

Article 861. The owner of the upper storey shall not heighten the building in such a way as to injure the lower storey.

Syndicates of Owners of Storeys of a Single Building

Article 862. When a building divided into storeys or apartments, belongs to several owners, such owners may form a syndicate amongst themselves.

A syndicate may also have for its object the construction or the acquisition of buildings with a view to allocating the ownership of parts of such buildings to members of the Syndicate.

Article 863. A syndicate may, with the consent of all its members, establish rules with a view to assuring a better enjoyment and the good management of the building held in common.

Article 864. In the absence of such rules or if such rules do not contain provisions in respect of certain points, the right to manage the parts held in common belongs to the Syndicate, whose decisions will be, in this respect, binding, provided that all the interested parties have been summoned to a meeting by registered letter and that the decisions have been taken by a majority of the owners, calculated on the basis of the value of their shares.

Article 865. The Syndicate may, with the consent of the majority prescribed in the preceding article, take out collective insurances against risks to the building or to the co-owners jointly and may authorize, at the expense of the owners who so demand, all works or installations which increase the value of all or part of the building, upon the conditions and subject to such compensation and other obligations as may be laid down by the Syndicate, in the interests of the co-owners.

Article 866. A representative shall be appointed by the majority of the owners, as provided for in Article 864, to carry out the decisions of the Syndicate. If the required majority is not obtained, a representative

of the Syndicate will be appointed, at the request of one of the co-owners being called to give their views, by the President of the Court of First Instance within whose jurisdiction the building is situated. The representative of the Syndicate shall, if need be, upon his own initiative, take all necessary measures for the preservation, protection and maintenance of all parts held in common. He shall be entitled to call on any party concerned to perform these obligations. These provisions shall apply in the absence of any provision to the contrary in the rules of the Syndicate.

The representative of the Syndicate shall represent the Syndicate before the Courts, even against the owners if need be.

Article 867. The remuneration of the representative of the Syndicate will be fixed in the decision or order appointing him.

The representative of the Syndicate may be discharged by a decision taken by the majority of co-owners, as laid down in Article 864, or by an Order of the President of the Court of First Instance within whose jurisdiction the building is located, after the co-owners have been summoned to be heard on the question of his discharge.

Article 868. If the building is destroyed by fire or otherwise, the co-owners are, subject to any agreement to the contrary, bound to confirm to the decision of the Syndicate as to its reconstruction taken by the majority, as provided in Article 864.

If the Syndicate decides to reconstruct the building, any amount due as compensation on account of the destruction of the building shall, without prejudice to the rights of the registered creditors, be set aside for the costs of reconstruction.

Article 869. Any loan made by the Syndicate to one of the co-owners, in order to assist him to carry out his obligations, will be secured by a privileged charge on his divided part as well as on his undivided share in the parts of the building held in common.

The rank of this privilege will date from its registration.

Section 2. Acquisition of Ownership

1. Acquisition by Appropriation

The Appropriation of Movables Without an Owner

Article 870. Whoever takes possession of a movable which has no owner, with the intention of its appropriation, acquires the ownership thereof.

Article 871. A movable is deemed to have no owner when its owner abandons possession of it with the intention of renouncing his ownership thereto.

Animals, other than domestic animals, are deemed to have no owner as long as they are at liberty. If one of such animals, after losing its liberty, regains its freedom, it becomes without an owner if the owner does not seek for it immediately or ceases to seek for it. An animal that has become tame and is accustomed to return to the same place becomes again without an owner if it loses this habit.

Article 872. Buried or hidden treasure to which no one can establish ownership belongs to the owner or the bare owner of the property on which it is discovered.

Treasure discovered on waqf property belongs to the founder of the waqf or to his heirs.

Article 873. Rights of fishing and hunting and rights to things found and to antiquities, are governed by special regulations.

The Appropriation of Immovables which have no Owner

Article 874. Uncultivated land which has no owner is the property of the State.

The appropriation or the possession of uncultivated land can only be effected with the authority of the State in accordance with the regulations.

If, however, an Egyptian cultivates or plants uncultivated land or builds thereon, he becomes forthwith owner of the part cultivated, planted or built on, even without the authority of the State, but he loses his ownership by non-use for five consecutive years during the first fifteen years following his acquisition of ownership.

2. Acquisition by Inheritance and Winding Up of an Estate

Article 875. The establishment of the heirs, of their hereditary shares and of the devolution of the property of the estate on them is governed by Islamic Law and by the laws with regard to inheritance and estates.

The following provisions apply to the winding up of an estate.

The Appointment of an Administrator

Article 876. In the absence of the appointment of a testamentary executor by the deceased, the Court may, at the request of an interested party, if it considers it necessary to do so, appoint as administrator of the estate a person chosen unanimously by the heirs. In the absence of such unanimity, the Judge will, after having heard the heirs, choose an administrator, if possible from amongst the heirs.

Article 877. A person appointed administrator may decline to act or may, after having acted as administrator, renounce the appointment in accordance with the provisions of the mandate.

The Judge may also, for adequate reasons, either at the request of any of the interested parties or at the request of the Ministere Public, or of his own initiative, discharge an administrator and replace him by another.

Article 878. The appointment of a testamentary executor by the deceased must be confirmed by the Judge.

The rules applicable to an administrator of an estate apply equally to a testamentary executor.

Article 879. The greffier (clerk) of the Court must enter, day by day, the Court orders as to the appointment of administrators and the confirmation of testamentary executors, in a public register, recording the names of the deceased person in accordance with the form prescribed for alphabetical indexes. He must enter in the margin of the register all orders of revocation and all renunciations.

The entry of the order as to the appointment of an administrator will, as regards third parties dealing with the heirs in connection with immovable property belonging to the estate, have the same effect as the entry provided for in Article 914.

Article 880. An administrator shall, upon his appointment, take possession of the property of the estate and proceed with the winding up of the estate under the control of the Court. He may apply to the Court for remuneration commensurate with the duties performed by him.

The estate shall bear the costs of the winding up. These costs will have a privilege in the same preferential rank as legal expenses.

Article 881. The Court must, at the request of any interested party or of the Ministere Public, or on its own initiative, take, if need be urgent necessary measures for the preservation of the property of the estate. The Court may in particular order that the property be placed under seal and that cash, securities and articles of value be placed in deposit.

Article 882. The administrator must immediately pay, out of the assets of the estate, burial and funeral expenses in accordance with the social standing of the deceased. He must also obtain an order from the "Juge de Service" (Judge in Chambers) authorizing him to make, pending the final winding up, an adequate alimentary/support allowance to such heirs as were supported by the deceased and to deduct such payments from the share in the estate of each heir to whom such alimentary/support allowance is made.

Any dispute arising as regards such an allowance shall be settled by the "Juge de Service".

Inventory of the Estate

Article 883. As from the date of the entry of the order appointing an administrator, the creditors of an estate can only take proceedings or continue proceedings already commenced in connection with the estate against the administrator.

Any distribution[1] opened against the deceased (before his death), in which the order of allotment has not become final, must, at the request of any interested party, be suspended until all the debts of the estate have been settled.

Article 884. No heir may dispose of estate assets, recover estate debts, or set off a personal debt against a debt of the estate until an inheritance certificate, provided for in Article 901, has been delivered to him.

Article 885. An administrator is bound, during the winding up, to take the necessary measures to preserve and administer the property of the estate. He must also represent the estate before the Court and proceed with the recovery of debts due to the estate.

An administrator is, even if he is not remunerated, responsible to the same extent as a paid mandatory. The Judge may call on him to render an account of his administration at periodic intervals.

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1. A distribution is the division amongst the creditors, made by an order of the Court, of a sum of money deposited in or held by the Court for the account of a debtor.

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Article 886. An administrator must publish a notice calling on the creditors and debtors of the estate to submit particulars of their claims and of their debts within a delay of three months from the last publication of the notice.

This notice must be posted on the main door of the residence of the Omdah (mayor) in the town or village in which the estate property is situated, or on the main door of the police station in the town where this property is located, and on the notice board of the Summary Court within the jurisdiction of which the deceased was domiciled at the date of his death. This notice must also be published in a daily newspaper with a wide circulation.

Article 887. An administrator must, within four months from the date of his appointment, file with the registry of the Court a statement of the assets and liabilities of the estate with an estimate of their value. He must also, within the same time, inform every interested party by registered letter of the filing of the statement.

An administrator may apply to the Judge for an extension of time, if this extension is justified by circumstances.

Article 888. An administrator may employ, for the preparation of the inventory and for the estimation of the value of the property of the estate, an expert or a person with the necessary special experience.

An administrator must record claims and debts disclosed by the papers of the deceased, shown in public registers or coming to his knowledge in any other way. The heirs must also advise the administrator of all debts and claims of the estate known to them.

Article 889. Any person, including an heir, who fraudulently appropriates a part of the assets of the estate, is liable to the penalties for misappropriation.

Article 890. Any dispute as to the accuracy of the inventory, particularly as regards the omission of assets, claims or debts of the estate, or as to the entry in the records, should be submitted to the Court by petition at the request of any interested party within the thirty days following the notice of the filing of the inventory.

The Court will investigate the dispute. If the Court considers the claim to be a serious one, it will admit the claim by an order which subject to recourse in accordance with the provisions of the Code of Procedure.

If the dispute has not already been submitted to a Court of Justice, the Court will fix a time period within which the interested party should submit the claim to the competent Court, which Court will deal with the matter as one of urgency.

Discharge of the Debts of the Estate

Article 891. Upon the expiration of the time period fixed for the submission of disputes arising on the inventory, the administrator will proceed, upon the authority of the Court, with the payment of those debts of the estate which are uncontested. Debts which are contested will be settled after the final decision of the Court on the litigation.

Article 892. In the event of the estate being insolvent or of the possibility of it being insolvent, the administrator must suspend the discharge of any debt, even uncontested, pending final decisions in respect to all disputes arising as to debts of the estate.

Article 893. The administrator will discharge the debts of the estate with funds derived from claims recovered, cash in hand, proceeds of the sale of securities at market prices, proceeds of the sale of movables and, if the funds so obtained are insufficient, with the proceeds of the sale of immovable property of the estate.

The sale of movable and immovable property of an estate will be made by public auction in the manner and subject to the time period laid down for forced sales, unless all the heirs agree that the sale shall be carried out by negotiation or in any other manner. If the estate is insolvent the approval of all of the creditors is also necessary. The heirs are always entitled to take part in the auction.

Article 894. The Court may, at the request of all the heirs, pronounce the immediate exigibility of a debt not yet due for payment, and fix the amount payable to the creditor in accordance with the provisions of Article 544.

Article 895. If the heirs do not unanimously agree to demand the immediate exigibility of a debt not yet due for payment, the Court will proceed with the distribution of the debts not yet due for payment and of the assets of the estate, so that each heir takes from such debts and assets a portion corresponding to the net value of his share in the inheritance.

The Court will give each creditor of the estate an adequate guarantee on a movable or immovable property, reserving, however, to any creditor who had a special security that same security. When this is not possible, even by additional security given by the heirs on their own property, or by any other arrangement, the Court will charge all the estate assets to provide such security.

In all these cases, if security has been given on an immovable property and has not already been published, such security must be published in accordance with the provisions laid down as to the publication of judgment charges on real property.

Article 896. Any heir may, after the distribution of the debts not yet due for payment, pay the amount allocated to him before the due date in conformity with Article 894.

Article 897. Creditors of the estate, whose debts have not been paid because they were not shown in the inventory and were not secured by a charge on the property of the estate, have no remedy against third parties who have acquired, in good faith, a real right on this property, but have a right of action against the heirs to the extent to which the heirs have benefited.

Article 898. An administrator shall, after discharge of the debts of the estate, proceed with the payment of legacies and other charges.

Delivery and Division of the Property of the Estate

Article 899. The residue of the property of the estate, after settlement of the liabilities, devolves on the heirs in proportion to their shares in the inheritance.

Article 900. An administrator shall deliver to the heirs the property of the estate devolving on them.

The heirs may, upon the expiration of the time fixed for the submission of disputes arising on the inventory, demand that all or part of the things or cash which are not required for the winding up of the estate be provisionally delivered to them, with or without security.

Article 901. The Court will give to each heir who produces an "Elam Charei" or any other equivalent document as to the inheritance, a certificate establishing his rights in the inheritance, the extent of his share therein and the estate property devolving on him.

Article 902. An heir may call upon the administrator to deliver to him his share in the estate as a divided part, unless such an heir is obliged to remain an owner in common by reason of an agreement or a provision of the law.

Article 903. When a demand for division should be admitted, the administrator will proceed with the division amicably, but this division will only become final upon the unanimous approval of the heirs.

If the heirs do not unanimously approve the division, the administrator must bring an action for the division in accordance with the provisions of the law. The costs of this action will be charged to the estate and deducted from the hereditary shares of the co-sharers.

Article 904. The rules laid down for partition of property held in common, especially those as regards warranty against disturbance and eviction, lesion and the preferential rights of a partitioner, shall apply to the division of estates, as well as the following provisions.

Article 905. In the absence of an agreement between the heirs as to the division of family papers or articles having a sentimental value for the heirs owing to their relationship to the deceased, the Court shall order either the sale of these articles or their allocation to one of the heirs, with or without deduction of their value from his share in the estate, taking into account both custom and the personal circumstances of the heirs.

Article 906. If there is, amongst the property of an estate, an agricultural, industrial, or commercial enterprise constituting a distinct economic unity, it must be allotted as a whole to such one of the heirs who applies for it if he is the most capable of the heirs to carry on the enterprise. The price of such an enterprise will be fixed in accordance with its value and will be deducted from his share in the estate. If the heirs are all equally capable of carrying on the enterprise, it shall be allocated to the heir who offers the highest price, provided that this price shall not be less than the price for similar enterprises.

Article 907. If, at the time of division, a debt due to the estate is allocated to one of the heirs, the other heirs are not, in the absence of an agreement to the contrary, guarantors of the debtor, if he becomes insolvent subsequent to the division.

Article 908. A will dividing the property of the estate between the heirs of the testator and setting out the share of each heir or of certain of the heirs is valid. If the value of the share so given to one of them exceeds his hereditary share, the excess is deemed to be a legacy by will.

Article 909. A division made by disposition "mortis causa" may always be revoked. It becomes irrevocable on the death of the testator.

Article 910. If such a division does not include all the property of the deceased at the date of his death, that property which has not been included in the division devolves in common on the heirs in accordance with the rules as to inheritance.

Article 911. If one or more of the contingent heirs included in the division predecease the deceased, the divided part allotted to him or them devolves in common on the other heirs in accordance with the rules as to inheritance.

Article 912. The general rules as to division, with the exception of those relating to lesion, apply to division made by disposition "mortis causa".

Article 913. If the debts of the estate are not included in the division, or if these debts are included and the creditors do not agree to the division, any heir may, if these debts are not settled in agreement with the creditors. call for a division of the estate in accordance with Article 895. In this case, account must be taken, as far as possible, of the division made by the deceased and the considerations which guided him as regards such division.

Rules Applicable to Estates that have not been Wound Up

Article 914. When an estate has not been wound up in accordance with the preceding provisions, the unsecured creditors of the estate may take action, in respect of their claims or of their legacies, on the immovable property of the estate which has been alienated or which has been charged with real rights to the benefit of third parties, provided that they have recorded such claims in accordance with the provisions of the law.

3. Acquisition by Will

Article 915. Wills are governed by the rules of Islamic Law and by laws on Wills.

Article 916. Every legal disposition made by a person during an illness immediately preceding his death, with the object of making a gift, is deemed to be a testamentary disposition and must be governed by the rules applicable to wills, no matter what description has been given to such an act.

The heirs of the person who has made such a legal disposition are the persons on whom falls the onus of proving that it was made by the deceased during an illness immediately preceding his death. This proof may be tendered in any way and the date of the legal instrument establishing the disposition cannot be invoked against the heirs, unless it is an established date.

If the heirs establish that the legal disposition was made by the deceased during an illness immediately preceding his death, the act is deemed to be a gift, (ie. a testamentary disposition), unless the beneficiary proves that the contrary was the case. The above provisions are subject to any special provisions to the contrary.

Article 917. In the absence of any evidence to the contrary, when a person disposes of a property in favor of one of his heirs, reserving at the same time in some manner the possession and the enjoyment of the property so disposed of during his lifetime, the disposition is deemed to be a testamentary disposition and must be governed by the rules applicable to wills.

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4. Acquisition by Accession

The Right of Accession in Respect of Immovable Property

Article 918. Alluvium formed gradually and imperceptibly by the river belongs to the riparian owners.

Article 919. Land uncovered by the sea belongs to the State.

No one may encroach upon the seashore except for the purpose of restoring the boundaries of his property which has been covered by the sea.

Article 920. Owners of lands adjoining still waters, such as lakes and ponds, do not acquire ownership over land uncovered by the retreat of these waters, nor do they lose their ownership over land which such waters overflow.

Article 921. The ownership of land displaced or uncovered by the river and of islands formed in its channel, is regulated by special laws.

Article 922. All buildings, plantations and other works existing above or below ground are deemed to have been carried out by the owner of the land at his own expense and belong to him.

It may be proved, however, that such works were made by a third party at his own expense, as it may also be proved that the owner of the land has transferred the ownership of works already existing or the right to erect and own such works to a third party.

Article 923. Constructions, plantations, and other works carried with materials belonging to another, become the exclusive property of the owner of the land when the removal of these materials is not possible without seriously damaging the works, or even when it is possible to do so but proceedings to recover the property are not commenced within a year from the date on which the owner of the materials knew of their incorporation in the works.

When the owner of the land acquires the property of the materials, he must pay their value together with an indemnity, if indemnity is due. When, however, the owner of the materials recovers the materials, their removal must be effected at the cost of the owner of the land.

Article 924. When a third party carries out works with his own materials on land which he knows is not his own property, without the consent of the owner of the land, the owner of the land may, within a year from the day on which he learns of the execution of the works, demand either their removal at the cost of the third party who erected them, together with an indemnity, if indemnity is due, or their retention against payment of their salvage value or of a sum equal to the increased value they have given to the land.

A third party who carried out the works may claim the right to remove them if he does not cause any damage to the land in so doing, unless the owner of the land choses to keep the works in accordance with the provisions of the preceding article.

Article 925. If the third party who carried out the works mentioned in the preceding article honestly believed that he was entitled to do so, the owner of the land has not the right to demand their removal, but he may,

at his option, and provided that the third party does not claim their removal, pay the third party either the value of the materials and the cost of the work or a sum equal to the increased value that the works have given to the land.

If, however, the works are so extensive that the payment of the amount due in respect thereof is onerous for the owner of the land, he may claim the conveyance of the ownership of the land to the third party against payment of adequate compensation.

Article 926. If a third party carries out works with his own materials, with the permission of the owner of the land, the owner of the land cannot, in the absence of an agreement with regard to these works, demand their removal. The owner of the land must pay to the third party, if the third party does not himself ask for their removal, one of the two amounts laid down in the first paragraph of the preceding article.

Article 927. The provisions of Article 982 apply as regards payment of compensation referred to in the three preceding articles.

Article 928. If during the construction of a building on his own land, an owner encroaches in good faith on part of an adjoining land, the Court may, within its discretion, compel the owner of the adjoining land to transfer to his neighbor the ownership of that part which is occupied by the building, against payment of adequate compensation.

Article 929. Light constructions, such as sheds, shops and shelters, erected on the land of another, which are not intended to be maintained permanently, shall be the property of the person who erects them.

Article 930. If a third party carries out works with materials belonging to another party, the owner of the materials cannot claim their restitution but he has a claim for compensation against the third party, and also against the owner of the land up to the amount remaining due by him in respect of the value of the works.

The Right of Accession in respect of Movable Property

Article 931. When two movables belonging to two different owners become mingled in such a way that they cannot be separated without deterioration, the Court, in the absence of any agreement between the two owners, shall decide the matter in accordance with the rules of equity, having regard to the damage already done, the circumstances and the good faith of each of the two parties.

5. Acquisition by Contract

Article 932. The ownership of movables and immovables and other real rights are transferred by contract, when the contract refers to an object belonging to the person disposing of it, in accordance with Article 204 and subject also to the following provisions.

Article 933. The ownership of a movable which is described only as regards its species is transferred only upon its identification in accordance with Article 205.

Article 934. Ownership and other real rights over immovable property are not transferred either between parties or as regards third parties

unless the rules laid down in the law regulating the publication of real rights are observed.

The law regulating the publication of real rights above referred to shall indicate the acts, judgments and instruments which should be published, whether they have the effect of transferring the ownership or not, and shall determine the rules as regards such publication.

6. Acquisition by Preemption

Conditions for the Exercise of the Right of Preemption

Article 935. Preemption is the opportunity that a person has to substitute himself in a sale of immovable property in the place of the purchaser, in the cases and subject to the conditions laid down in the following articles.

Article 936. The right of preemption belongs:-

a. to the bare owner, in the case of a sale of all or part of the usufruct attached to a bare property.

b. to the co-owner in common, in case of a sale to a third party of a part of the property held in common.

c. to the usufructuary, in case of a sale of all or part of the bare property which produces his usufruct.

d. in case of hekr, to the bare owner if the sale relates to the right of hekr; and to the beneficiary of the hekr if the sale relates to the bare property.

e. to the neighboring owner in the following cases:-

1. in the case of buildings or building land whether situated in a town or in a village.

2. if the land enjoys a right of servitude over the land of a neighbor, or if a right of servitude exists in favor of the land of a neighbor over the land sold.

3. if the land of a neighbor adjoins the land sold on two sides and the value is at least half of the value of the land sold.

(See Articles 1, 2 and 3 of the Decree of March 23, 1901 as regards Preemption).

Article 937. When several persons preempt, the right of preemption will be exercised in the order set out in the preceding article.

If several persons of the same degree exercise the rights of preemption, the right of preemption will belong to each one of them in proportion to his share.

If a purchaser is, in accordance with the provisions laid down in the preceding article, entitled to exercise the right of preemption, he will be preferred to other preemptors of the same degree or of a lower degree, but those of a higher degree will have priority over him.

(See Articles 7 and 8 of the Decree of March 23, 1901 as regards Preemption).

Article 938. If a person acquires a property which may be subject to preemption and sells it prior to any notification of an intention to preempt or prior

to the transcription/registration of such notification in accordance with Article 942, preemption can only be exercised against the second purchaser and subject to the conditions upon which he has purchased the property.

(See Article 9 of the Decree of March 23, 1901 as regards Preemption).

Article 939. Preemption cannot be exercised:-

a. if the sale is made by public auction in accordance with the procedure prescribed by law.

b. if the sale is made between ascendants and descendants, between spouses or between relatives to the fourth degree, or between relatives by marriage to the second degree.

c. if the property sold is destined for religious purposes, or to be annexed to property already used for such purposes.

A waqf cannot exercise the right of preemption.

(See Articles 3,4,5 and 6 of the Decree of March 23, 1901 as regards Preemption).

The Procedure for Preemption

Article 940. Whoever desires to exercise the right of preemption must, on pain of forfeiture of his right, notify both the vendor and the purchaser of his intention within a period of fifteen days from the date of a formal summons served on him either by the vendor or by the purchaser. This period is increased, if necessary, by the time allowance for distance.

Article 941. The formal summons provided for in the preceding article must, on pain of nullity, contain the following particulars:-

a. an adequate description of the property subject to preemption.

b. the amount of the price, the costs, the conditions of sale, and the first names, surnames, professions and domiciles of the vendor and the purchaser.

(See Article 21 of the Decree of March 23, 1901 as regards Preemption).

Article 942. Notification of intention to exercise the right of preemption must, on pain of nullity, be made through the Court. It is not valid as against third parties unless it is transcribed/registered.

The actual sale price must, within thirty days at the most from the date of this notification, be deposited in full at the "Caisse" of the Court of the district in which the property is situated, and in any event before the introduction of the action in preemption. If this deposit is not made within the prescribed time and manner, the right of preemption shall be forfeited.

(See Article 14 of the Decree of March 23, 1901 as regards Preemption).

Article 943. An action in preemption must, under pain of forfeiture, be introduced against the vendor and the purchaser before the Court of the District in which the property is situated, and enrolled on the Court list within thirty days from the date of the notification provided for in the preceding article. The case will be disposed of as a matter of urgency.

(See Articles 15 and 16 of the Decree of March 23, 1901 as regards Preemption).

Article 944. Without prejudice to the rules with regard to transcription/registration, the judgment which finally establishes the right to preemption will constitute the title of ownership of the preemptor.

(See Articles 14 and 18 of the Decree of March 23, 1901 as regards Preemption).

The Effects of Preemption

Article 945. The preemptor is, vis-a-vis the vendor, substituted for the purchaser in all his rights and obligations.

The preemptor is not, however, entitled to benefit from the time period granted to the purchaser for payment of the price unless he obtains the consent of the vendor.

If, after preemption, the property is claimed by a third party, the preemptor will only have a right of action against the vendor.

(See Article 13 of the Decree of March 23, 1901 as regards Preemption).

Article 946. If, before the notification of preemption, the purchaser has built or planted on the property preempted, the preemptor is bound, at the option of the purchaser, to pay to the purchaser either the amount spent by him or the amount of the increase in value of the property as a result of such constructions or plantations.

When, however, such constructions or plantations have been made after the notification of preemption, the preemptor may claim their removal. If he prefers to retain them, he is only bound to pay the value of the building materials and the labor or the planting expenses.

(See Article 10 of the Decree of March 23, 1901 as regards Preemption).

Article 947. Mortgages and charges registered against the purchaser, and any sale made by him and any real right granted by or registered against him after the date of the transcription/registration of the notification of preemption, are not valid as against the preemptor. Registered creditors, however, will retain their rights of preference on that part of the price of the property which reverts to the purchaser.

(See Article 12 of the Decree of March 23, 1901 as regards Preemption).

Forfeiture of the Right of Preemption

Article 948. The right of preemption is forfeited in the following cases:

a. if the preemptor renounces his right, even before the sale.

b. if four months have elapsed since the date of the registration of the deed of sale.

c. in all other cases prescribed by law.

(See Articles 19 and 22 of the Decree of March 23, 1901 as regards Preemption).

7. Possession

Acquisition, Transfer and Loss of Possession

Article 949. Possession does not result from acts that are done by permission or merely tolerated.

Possession obtained by acts of violence, secretly or in a dubious manner has effect, as regards the person against whom the violence, secrecy or dubious means were exercised, only from the time that such unlawful means have ceased.

Article 950. A person lacking discretion may acquire possession by the intervention of his legal representative.

Article 951. Possession may be exercised by an intermediary, provided that he exercises it in the name of the possessor and that his relationship to the possessor is such that he is obliged to obey his instructions as regards the possession.

In case of doubt, a person who is actually in possession is presumed to be in possession on his own behalf. If he continues a former possession, the continuation of such possession is presumed to be on behalf of the person who commenced the possession.

Article 952. Possession is transmitted by a possessor to another person by mutual agreement, without actual delivery of the thing which is the object of possession being made, provided the person to whom the possession has been transmitted is able to assume control of the right over the the thing forming the object of possession.

Article 953. Possession may be transmitted without actual delivery if the possessor continues the possession on behalf of his successor in title or if the successor in title continues the possession for his own account.

Article 954. The handing over of documents issued in respect of goods entrusted to a carrier or deposited in store, is equivalent to the handing over of the goods themselves.

If, however, the documents are handed over to one person and the goods to another, both being of good faith, the person who receives the goods has the preference.

Article 955. Possession is transmitted with all its features to a universal successor in title. When the original possessor was of bad faith, his successor in title may, however, if he establishes his good faith, avail himself thereof.

A successor in title holding under a special title may add to his possession that of the original possessor for the legal effect of possession.[1]

Article 956. Possession ceases when the possessor abandons his actual control over the right or when he loses it in any other way.

Article 957. Possession does not cease if a temporary obstacle prevents the possessor from exercising his actual control over the right.

Possession ceases, however, if this obstacle continues for a whole year and is the result of a new possession exercised against the wish or without the knowledge of the possessor. The period of one year runs from the moment from which the new possession commences, if it takes place openly, or from the day on which the former possessor knew of it, if it commences secretly.

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1. ie. to make up the time required for prescription to have run.

Protection of Possession (The Three Possessory Actions)

Article 958. A person who is in possession of an immovable and who loses possession thereof may, during the year which follows his loss of possession, claim to be reinstated in possession. If the loss of possession was secret, the time period of one year commences from the day on which the loss of possession is discovered.

A person who exercises possession on behalf of another person may also claim to be reinstated in possession.

Article 959. A person losing possession after having been in possession for less than a year, can only claim to be reinstated if the person dispossessing him has not a better possession than his own. The possession is better if founded on a legal title. If neither possessor has a title or both possessors have titles of equal value, the better possession is that which commenced first.

If the loss of possession takes place by violence, the possessor may always claim restitution within a year following the loss of possession.

Article 960. A person who has been dispossessed may take proceedings, within the time allowed by law, for recovery of possession against the person who has possession of the property of which he was dispossessed, even if such person acted in good faith.

Article 961. A person who remains in possession of an immovable for a whole year may, if he is disturbed in his possession, take proceedings during the year which follows the disturbance for the discontinuance of the disturbance.

Article 962. A person who remains in possession of an immovable for a whole year may, if he has good grounds to fear disturbance as a result of new works which threaten his possession, apply to the Judge to order the suspension of such works, provided that they have not been finished and that a year has not elapsed since the commencement of the works which may cause him damage.

The Judge may either stop or authorize the continuance of the works. In both cases he may order the provision of an adequate guarantee: in the case of a judgment ordering the suspension of the works, to cover compensation for damage caused by the suspension if a final decision shows that the claim for discontinuance of the works was without foundation; and in the case of a judgment ordering the continuance of the works, to cover the cost of their total or partial demolition as compensation for the damage suffered by the possessor if he obtains a final judgment in his favor.

Article 963. When several persons claim possession of the same right, the person who has actual possession is presumed to be provisionally the possessor unless it is established that he acquired possession in a wrongful manner.

Article 964. The possessor of a right is presumed, until the contrary is proved, to be its rightful owner.

Article 965. The possessor of a right who is unaware that he infringes the right of another is presumed to be of good faith, unless his ignorance was the result of a serious mistake.

If the possessor is a legal entity, it is the good or bad faith of its representative that will be taken into account.

Good faith is always presumed in the absence of proof to the contrary.

Article 966. The good faith of a possessor ceases only from such time as he becomes aware that his possession infringes the rights of another.

Good faith ceases as soon as the defects of the possession have been notified to the possessor in the writ by which legal proceedings are commenced. A person who has usurped the possession of another by violence is deemed to have acted in bad faith.

Article 967. Subject to proof to the contrary, possession continues to have the same character that it had at the time it was acquired.

Effects of Possession. Acquisitive Prescription

Article 968. A person who has possession of a movable or immovable without being its owner, or of a real right over a movable or immovable without a just title thereto, may acquire the ownership of the thing or the title to the real right if his possession continues uninterrupted for fifteen years.

Article 969. When a person remains in possession, in good faith and by virtue of a just title, of an immovable or of a real right over an immovable, the period of acquisitive prescription is five years.

Good faith is required only at the moment of conveyance of the right.

A just title is a document of title emanating from a person who is not the owner of the property or the beneficiary of the right that it is desired to acquire by prescription, and must be duly transcribed/registered.

Article 970. In any case, waqf property and hereditary rights are only acquired by prescription by possession for thirty-three years.

Article 971. Present possession, whose existence can be proved to have existed at an ascertained previous time, is presumed to have existed during the intervening time unless the contrary is proved.

Article 972. No one can set up prescription contrary to his title: that is to say that no one may by himself and in his own interests change the cause and origin of his possession.

A person may, however, acquire a title by prescription if the nature of his possession is changed either by the act of a third party or if such person sets up an adverse claim against the owner; but in such a case prescription only runs from the date of such change.

Article 973. Subject to the following provisions, the rules as to extinctive prescription, in so far as they are not incompatible with the nature of acquisitive prescription, are applicable as regards the calculation of the period of prescription, its suspension or interruption, claims as regards prescription in Court, the renunciation of prescription and any agreement as to modification of the period.

Article 974. Acquisitive prescription, whatever its period, is suspended if any cause exists for such suspension.

Article 975. Acquisitive prescription is interrupted if the possessor abandons or loses possession even by the act of a third party.

Prescription is not, however, interrupted by loss of possession if the possessor recovers possession within a year or takes proceedings for the recovery of possession within that period.

The Acquisition of Movables by Prescription

Article 976. A person in possession of a movable, of a real right over a movable or of a bearer warrant by virtue of a just title becomes the owner thereof if at the moment he acquired possession, he was of good faith.

If he enters into possession in good faith and by virtue of a just title, in the belief that the thing is free of all charges and encumbrances, he acquires the thing free of such charges and encumbrances.

Subject to proof to the contrary, mere possession is a presumption of a just title and good faith.

Article 977. A person who has lost or has been robbed of a movable or a bearer warrant, can, within three years from the date of the loss or the theft, bring an action to recover it from a third party in possession, even if such third party is of good faith.

When the thing lost or stolen is found in possession of a third party who bought it in good faith on the market, at a public sale or from a merchant selling similar articles, such third party is entitled to recover from the person claiming restitution the price he paid for the thing.

The Acquisition of the Fruits by Possession

Article 978. A possessor acquires all fruits collected so long as he is of good faith.

Natural or industrial fruits are deemed to be collected from the moment that they are separated. Legal fruits are deemed to be collected day by day.

Article 979. A possessor in bad faith is responsible for all the fruits that he has collected or that he has failed to collect, from the moment he became of bad faith. He may, however, claim refund of his expenses in connection with the production of the fruits.

Recovery of Expenses

Article 980. The owner to whom the property is restituted must pay to the possessor all expenditures of a necessary kind that he has incurred.

The provisions of Articles 924 and 925 shall apply as regards expenditures of an advantageous kind.

If the expenditure is of a luxurious nature, the possessor cannot claim repayment of any of such expenditure. He may, however, remove works he has made, provided he restores the property to its original condition, unless the owner prefers to keep the works upon payment of their salvage value.

Article 981. A person who takes possession from a previous owner or possessor, may, if he establishes that he has paid to such previous owner or possessor the expenditure incurred by him, demand repayment from the person claiming ownership.

Article 982. The Judge may, at the request of the owner, select the method which he considers suitable for the repayment of the expenses referred to in the two preceding articles. He may also order repayment by periodic installments, provided that the necessary security is supplied. The owner may free himself from this obligation by paying in advance a sum equal to the amount of such installments less interest calculated at the legal rate up to the date fixed for payment.

Liability in the Event of Loss

Article 983. A possessor in good faith w' has enjoyed the thing in accordance with his presumed rights, is no ble to pay any compensation on this account to the person to whom he must restitute the thing.

He is only liable for the loss or deterioration of the thing up to the amount of profit he has received in consequence of such loss or deterioration.

Article 984. If the possessor is a possessor in bad faith, he is liable for the loss or deterioration of the thing, even fortuitous, unless he proves that such loss or deterioration would have occurred even if the thing had been in the possession of the person claiming restitution.

CHAPTER II. Rights Derived from the Right of Ownership

Section 1. The Right to Usufruct, the Right of Use and the Right of Occupation

1. Usufruct

Article 985. The right to usufruct may be acquired by a legal disposition, by preemption or by prescription.

Usufruct may be bequeathed by will to successive persons if they are alive at the moment of the bequest. It may also be bequeathed to a child "en ventre",

Article 986. The rights and obligations of a usufructuary are governed by the conditions imposed by the deed by which the usufruct is created and by the provisions contained in the following articles.

Article 987. The fruits of the property which is subject to the usufruct revert to the usufructuary, in proportion to the period of his usufruct, subject to the provisions of paragraph 2 of Article 993.

Article 988. The usufructuary must use the property in the state in which he has received it and according to the object for which it was intended. He must observe the rules of good management.

The owner may object to any use of the property that is unlawful or unsuitable to the nature of the property. If the owner proves that his rights are endangered, he may demand security and if the usufructuary does not provide such security or if, in spite of the objections of the owner, he continues to use the property unlawfully or in a manner unsuitable to its nature, the Judge may take the property from him and entrust it to a third party for its management. The Judge may also, in circumstances of a serious nature, declare the usufruct extinguished, without prejudice to the rights of third parties.

Article 989. The usufructuary is liable, during the continuance of his enjoyment, for all normal charges in respect of the property subject to the usufruct and all expenses for repairs incidental to its maintenance.

The owner is obliged to pay abnormal expenses and the cost of heavy repairs which do not arise from any fault on the part of the usufructuary, but the usufructuary is bound to pay to the owner interest on the amount expended by him in this respect. If the usufructuary has himself advanced the cost, he is entitled to obtain repayment of the capital amount paid by him when the usufruct terminates.

Article 990. The usufructuary must preserve the thing with the usual diligence of a normal man.

He is responsible for the loss of the property even through no fault on his part, if he has delayed restitution of the property to its owner after the termination of the usufruct.

Article 991. The usufructuary must give notice to the owner without delay if the property perishes, deteriorates or requires major repairs the cost of which should be borne by the owner, or if it is necessary to take protective measures against an unforeseen danger. The usufructuary must also advise the owner if a third party claims to have a right over the property.

Article 992. When the property subject to the usufruct is a movable, an inventory must be made thereof and the usufructuary must give security in respect thereof. If no security is given, the movable in question shall be sold and the proceeds invested in public funds (bonds/notes) and the income thereof paid to the usufructuary.

A usufructuary who has given security may use such things as are consumable provided that he replaces them when his usufruct comes to an end. The usufructuary is entitled to the natural increase of flocks and herds, after replacing therefrom such animals as have perished accidentally.

Article 993. The usufruct terminates at the end of the time for which it was fixed. If no time is fixed, it is deemed to have been created for the lifetime of the usufructuary. It ceases in any case upon the death of the usufructuary even before the end of the fixed time.

When there are standing crops on the land which is subject to usufruct, at the end of the time fixed for the usufruct or upon the death of the usufructuary, such land shall be left in possession of the usufructuary or of his heirs until the crops are ripe for harvesting, but the usufructuary or his heirs shall pay rent for that period.

Article 994. Usufruct is extinguished by the loss of the property, but the usufruct is transmitted to any property obtained in lieu of the property destroyed.

If the loss is not due to the fault of the owner, he is not bound to restore the property to its original condition, but if he restores the property, the usufruct is recreated in favor of the usufructuary if the loss was not imputable to him; in such a case paragraph 2 of Article 989 applies.

Article 995. The right of usufruct is extinguished by non-use during a period of fifteen years.

2. The Right of Use and Occupation

Article 996. Subject to the conditions laid down in the deed by which the right is created, the extent of the right of use and of the right of occupation is determined by the personal requirements of the beneficiary and of his family.

Article 997. The right of use and the right of occupation may only be transferred to third parties by virtue of a formal provision to that effect or for serious reasons.

Article 998. Subject to the preceding provisions, the rules as regards the right to usufruct apply to the right of use and to the right of occupation, if they are not incompatible with the nature of these two rights.

Section 2. The Right of Hekr

Article 999. Hekr cannot be concluded for a period exceeding sixty years. If a longer period is fixed or if the period is not fixed the hekr is deemed to have been concluded for a period of sixty years.

Article 1000. Hekr can only be concluded for reasons of necessity or expediency and with the permission of the Charei Court of First Instance in the district in which the land or that part of the land which is most valuable is situated. It must be established by virtue of a deed drawn up by the President of the Court, or by a Judge or by a notary delegated by him for the purpose, and must be published in accordance with the provisions of the law relating to the publication of real rights.

Article 1001. The grantee of a hekr may dispose of his right. This right is transferrable by inheritance.

Article 1002. Constructions, plantations and other works carried out by the grantee of the hekr belong to him absolutely. He may dispose of them separately or together with the right of hekr.

Article 1003. A grantee of the hekr must pay the agreed rent to the grantor of the hekr.

In the absence of a provision to the contrary in the contract creating the hekr, the rent is payable at the end of each year.

Article 1004. A hekr cannot be concluded at a rent less than that paid for similar lands.

This rent is increased or diminished as the rental value of similar lands rises or falls by more than one-fifth, provided that eight years have passed since the last valuation.

Article 1005. The estimation of this rise or fall is made on the basis of the rental value of the land at the time of valuation, taking into account its marketable value and the demand for it, and regardless of any constructions or plantations on it.

Improvements or deteriorations caused to the land or to the value of the neighboring land by the grantee of the hekr, as well as his surface rights over the land, should be disregarded.

Article 1006. The new estimate applies only from the time agreed between the parties, or, in the absence of an agreement, from the date of the commencement of the legal proceedings.

Article 1007. The grantee of the hekr must take the necessary measures to make the land suitable for exploitation, taking into account the agreed conditions, the nature of the soil, the use to which it is intended and local custom.

Article 1008. The right of hekr terminates at the end of the period fixed.

The right terminates, however, before the end of the period fixed, if the grantee of the hekr dies before having built on or planted the land, unless all the heirs ask for the maintenance of the hekr.

The right of hekr also terminates before the end of the period fixed, if the land burdened with the hekr ceases to be waqf property, unless this cessation results from the revocation of the waqf or the reduction of the period of the waqf by the founder, in which case the hekr is maintained until the end of its period.

Article 1009. The grantor of the hekr may demand the termination of the contract if the rent is not paid to him for three consecutive years.

Article 1010. In the absence of an agreement to the contrary, the grantor of the hekr may, upon termination of the contract, claim either the removal of the buildings and plantations or their maintenance against payment of the value of the buildings and plantations in their existing state or their value if removed, whichever is the lesser.

The Court may accord the grantor of the hekr a time for payment if exceptional circumstances exist that justify such a delay, in which case the grantor must furnish security to guarantee the payment of the amount due by him.

Article 1011. The right of hekr is extinguished by non-use during a period of fifteen years, unless the right of hekr is constituted in waqf, in which case it is extinguished by non-use during a period of thirty-three years.

Article 1012. Subject to the provisions of Article 1008, paragraph 3, no hekr may, from the date upon which this law comes into force, be established on land that is not constituted in waqf.

Hekrs existing on lands that are not constituted in waqf at the time that this law comes into force are subject to the provisions of the preceding articles.

Some Kinds of Hekr

Article 1013. Idjaratein is a contract by which a waqf creates a hekr on land on which buildings are erected which are in need of repair, in consideration of the immediate payment of a sum of money equal to the value of these buildings and the payment of an annual rent for the land equal to the rental value of similar lands.

Subject to the provisions of the preceding paragraph, the rules as to hekr apply to such a contract.

Article 1014. The Kholou-el-intifaa is a contract by which a waqf grants a lease of a property even without the permission of the Judge, in consideration of a fixed rent for an indefinite time.

In accordance with this contract, the lessee undertakes to render the property fit for exploitation. The waqf may, at any time, terminate the contract by due notice in accordance with the rules as to contracts of lease, provided that the waqf compensates the lessee for his expenses in accordance with the provisions of Article 179.

Subject to the provisions of the two preceding paragraphs, the provisions relating to leases of waqf property are applicable to such a contract.

Section 3. Servitudes

Article 1015. A servitude is a right which limits the enjoyment of a property for the benefit of another property belonging to another owner. A servitude may be imposed on State property in so far as it is not incompatible with the use for which such property is intended.

Article 1016. The right to a servitude is acquired by a legal disposition or by inheritance.

Only apparent servitudes, including rights of way, can be acquired by prescription.

Article 1017. Apparent servitudes may also be created by the intention of the original owner.

An intention of the original owner is deemed to exist when it is established, by any means of proof, that the owner of two separate properties has made between the two properties an apparent distinction, thereby creating a relationship of subordination between them which would indicate the existence of a servitude if the two properties belonged to different owners. If, in such a case, the two properties pass into the hands of different owners without any change in their condition, a servitude is deemed, in the absence of a clear condition to the contrary, to have been constituted to the benefit of or as a burden on the two properties respectively.

Article 1018. In the absence of an agreement to the contrary, if specific restrictions have been imposed limiting the right of the owner of a property to build freely thereon, such as the prohibition to build above a certain height or on an area in excess of a specific area, such restrictions constitute servitudes which are burdens on the property concerned in favor of properties to whose benefit these restrictions have been imposed.

Any breach of these servitudes gives rise to a claim for material redress. The Court may, however, only grant damages if it considers that there are reasons for so doing.

Article 1019. Servitudes are governed by rules laid down in the deed by which they are created, by local custom and by the following provisions.

Article 1020. The owner of the dominant tenement is entitled to carry out any works necessary to use and preserve his right of servitude. He must use his right in the least harmful manner possible.

New requirements of the dominant tenement cannot entail any increase in the burden of the servitude.

Article 1021. In the absence of an agreement to the contrary, the owner of the servient tenement is under no obligation to carry out work for the benefit of the dominant tenement, unless it is an accessory work necessitated by the normal use of the servitude.

Article 1022. In the absence of an agreement to the contrary, the cost of the necessary works for the use and preservation of the servitude must be borne by the owner of the dominant tenement.

If the owner of the servient tenement is responsible for carrying out these works at his own cost, he has always the right to free himself of this burden by abandoning the servient tenement wholly or in part to the owner of the dominant property.

If the works also benefit the owner of the servient tenement, the cost of upkeep falls on the two parties in proportion to the profit derived by each of them.

Article 1023. The owner of the servient tenement has no right to do anything which will tend to diminish the use made of the servitude or to make it more inconvenient. He cannot, in particular, either change the condition in which the land was or change the place originally fixed for the use of the servitude by another.

When, however, the place originally fixed has become such as to increase the burden of the servitude or to cause the servitude to hinder the owner of the servient tenement making improvements to the servient tenement, he may demand that the servitude be transferred to another part of the property or to another property belonging to him or to a third party who consents thereto, provided that the owner of the dominant tenement is able to exercise his rights of servitude in these new conditions as easily as he was able to do before the change.

Article 1024. If the dominant tenement is divided, the servitude continues to benefit each part thereof, provided that the burden on the servient property is not increased.

If, however, the servitude only benefits one of the divided parts of the dominant tenement, the owner of the servient tenement may demand that it ceases as regards the other parts.

Article 1025. If the servient tenement is divided, the servitude continues to exist in respect to each part thereof.

If, however, the servitude is not actually used and cannot be used on certain of these divided parts, the owner of each of them may demand that it ceases as regards the part belonging to him.

Article 1026. Rights to a servitude cease to exist by the expiration of the period for which they were created, by the total loss of the servient tenement or of the dominant tenement and by the acquisition of the two properties by the same owner. However, the rights to the servitude are revived if the two properties cease, with retroactive effect, to be held jointly by the same owner.

Article 1027. The rights to a servitude are extinguished by non-use for a period of fifteen years; if the servitude is created for the benefit of a waqf property, this period shall be thirty-three years. The manner of the exercise of a right of servitude may, as the servitude itself, be modified by prescription.

The use of the servitude by one of the co-owners in common of a dominant tenement interrupts the prescription in favor of the other co-owners. In the same way, the suspension of prescription in favor of one of these co-owners, suspends prescription in favor of the others.

Article 1028. The servitude ceases to exist if conditions so change that the right can no longer be used.

The servitude is revived if conditions are reestablished in such a way that the right can again be used, unless the right of servitude has been extinguished by non-use.

Article 1029. The owner of a servient tenement may free himself wholly or partially of the servitude, if the servitude has lost all its utility for the dominant tenement or if its actual utility has been reduced out of proportion to the burden imposed on the servient tenement.

OWNERSHIP BY NON-EGYPTIANS
(Law No. 81 of 1976)

In the Name of the People
By the President of the Republic

The People's Assembly has enacted the following law, and we have issued it.

Article 1. Without violating the provisions of Law No. 43 of 1974 regarding foreign investment and free trade zones, it is prohibited for Non-Egyptians, whether they are natural persons or legal entities, to acquire the ownership of buildings or lands in the Arab Republic of Egypt, whatever the cause of acquiring the property might be, except by inheritance.

This prohibition includes full ownership, partial ownership and rights of servitude, such as easements. A lease which lasts more than fifty (50) years is considered as an ownership right in applying the provisions of this law.

In applying the provisions of this law, buildings means buildings and the land that they are on, even if they are not subject to the provisions of Law No. 113 of 1939 concerning property taxes on agricultural land or Law No. 56 of 1954 regarding the tax on buildings in urban areas.

In applying the provisions of this law, legal entity means any company, whatever its legal form may be, where Egyptians do not have at least two-thirds of the capital stock, even if such companies are set up in Egypt according to the provisions of Egyptian law.

Article 2. As an exception to the prohibition stipulated in the previous article, it is permissible for a Non-Egyptian to acquire the ownership of buildings and lands in the following cases:

a. If the real property is acquired by a foreign government as a headquarters for its diplomatic and consular mission, or the residence of the head of the mission, on the condition that Egypt receives equal treatment in that respect in said country; or if the real property is to be used by an international body or organization.

b. In cases approved by the Cabinet where the following conditions exist:

   1. that the property will only be used for the residence of the individual or his family or for the practice of his private affairs. An individual may only use this exemption once.

   2. that the area of the property, with all of its appurtenances, used for the purposes allowed in (1) shall not exceed one thousand square meters (1000m2).

   3. that there be transferred through a licensed bank foreign currency at the official rate, equal to the value of the real property upon which the relevant fees will be estimated.

   4. that the real property not be held in common/jointly with an Egyptian citizen.

The Cabinet may exempt all or some of the conditions above, in cases where such an action is necessitated by national interests or economic interests of the state, or by the requirements of social development, or related considerations. Except for these exemptions, the Non-Egyptian who owns land to be used for the purposes stated in (b) shall construct a building upon it within two years of the date of his possession, and import all of the necessary building materials, or pay for such materials in foreign currency that is transferrable according to the prices and conditions set by the Minister of Housing and Reconstruction. If the building is not completed within the required period, the State may resell it to other people on his account. The landowner is then compensated with an amount equal to his purchase price. The difference between the present selling price and that purchase price goes to the State.

This two year period begins on the date that this law takes effect, for Non-Egyptians who already own land for such a purpose. For persons who do not own land at this date, this period begins on their date of possession.

Article 3. It is not permitted for Non-Egyptians who acquired real property according to the provisions of part (b) of Article 2 to dispose of that property in any way that will transfer its ownership before the end of a period of five years from the date that it is acquired.

Article 4. All acts and laws and regulations which violate the provisions of this law are null and void and shall not be published/recorded.

Also null and void are all judgments contrary to the provisions of this law, and all agreements that guarantee a false disposal of the property or the payment of damages, of whatever sort, if that disposal cannot be executed.

It is permissible for the persons concerned and the public prosecutor to demand that such agreements be nullified and the court must issue orders for the carrying out of that purpose.

Article 5. Without violating the stipulations of paragraph (b) of Article 2 and the provisions of Article 3 of this law, dealings with property which have been recorded/registered before this law takes effect shall remain valid and legally effective.

However, dealings which have not been recorded/registered before this law takes effect are not valid. It is not permitted to record/register them, except through the presentation of applications to the Land Registry Office, or application to the Court for a valid contract, or a license for building from the department in concerned; all of the above actions must have taken place before December 21, 1975.

Article 6. The Minister of Housing and Reconstruction shall issue decrees and regulations necessary to implement the provisions of this law.

Article 7. Without violating the provisions of Law No. 43 of 1974, all provisions or stipulations regarding the rights of Non-Egyptians to own buildings and lands in Egypt are revoked. Every stipulation that violates the provisions of this law is also revoked.

Article 8. This law shall be published in the Official Gazette and be in effect from the date of that publication.

This law shall be officially sealed and enforced as one of the laws of the Arab Republic of Egypt.

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OWNERSHIP BY NON-EGYPTIANS
(Decree No. 59 of 1977 on Executing Law No. 81 of 1976)

The Minister of Housing and Reconstruction

After Reviewing Law No. 114 of 1946 organizing the Land Registry;
Law No. 43 of 1974 concerning investments with Arab and foreign currency and free trade zones;
Law No. 81 of 1976 organizing the ownership of buildings and lands by Non-Egyptians;
Law No. 106 of 1976 directing and organizing building construction; and
the decision of the State Council;

Decrees:

Article 1. Applications presented to Land Registry offices by Non-Egyptians with regard to the provisions of Law No. 81 of 1976 shall not be accepted, except in the following cases:

a. If the real property is to be used by a foreign government as headquarters for its diplomatic or consul mission or as a house or residency for the head of the mission.

b. If the property is for the use of one of the international organizations.

c. If the transactions for which the application for registration is made before, or if pleas for validating the contract were made to a court before, or building permits for the property were granted by the department in charge before, December 21, 1975.

d. If the person concerned desired his application to be presented to the Premier to be exempted from all or some of the conditions stated in clause (b) of Article 2 of Law No. 81 of 1976.

Article 2. It is not permitted to register any transaction with Non-Egyptians concerning the acquisition of buildings or lands in the Arab Republic of Egypt, and it is not permitted to grant licenses to Non-Egyptians to add extra storeys or complete such buildings or to build upon vacant lands, except after the presentation of the following documents:

a. As regards applications by legal entities: a certificate from the Department of Commercial Registration indicating the percentage of the capital stock of that entity held by Egyptians.

b. As regards applications presented by diplomatic or consular missions: a certificate from the Ministry of Foreign Affairs regarding the existence of equal treatment to Egypt in said country.

c. As regards applications presented by international bodies or organizations: a certificate from the Ministry of Foreign Affairs verifying the existence of this entity.

In all cases, the Non-Egyptian offers a commitment that he will use the property in full accord with the provisions of Law No. 81 of 1976.

All of these documents shall be made available whether the applications for registration or building permits have been presented directly by the party concerned or under their names or for their account by another party.

Article 3. The following procedures shall be followed as regards cases presented to the Cabinet according to clause (b) of Article 2 of Law No. 81 of 1976:

a. The application must contain:

1. a statement justifying the exemption under Article 1 of that law, and the plan for making use of the building or vacant land within five years. It shall also state what building will actually be implemented within the two year period provided in the law.

2. a list of buildings and lands which the applicant owns in the Arab Republic of Egypt.

3. a statement that the property will be used as a residence for the applicant or his family (a wife and underage children, or to practice his private business. In the latter case, it should indicate the type and nature of this business activity.

4. a statement that he has changed an amount of foreign currency at the official exchange rate equal to the value of the real property upon which the fee for registration will be based. Enclosed with it should be a certificate from any bank verifying that exchange of currency.

5. a statement that he does not own property in common/jointly with an Egyptian citizen.

6. a certificate from the governorate concerned giving its opinion concerning the application. This certificate shall also give data required about the property, such as its location, a description, area and other information that the governorate feels would help in making a decision about the application. This certificate shall be issued within fifteen (15) days of the presentation of the application, and according to conditions and procedures stated by the governorate.

b. The Department of Land Registry sends the application and its attachments to the Department of Justice after examining it and making a decision regarding it. This action must be taken within thirty (30) days of the presentation of the application with all of its required documents.

Within fifteen (15) days of the date of receiving the application, the Department of Justice shall prepare a memorandum with its views and send it to the General Secretariat of the Cabinet which will take the steps necessary for its presentation to the Cabinet.

c. The General Secretariat of the Cabinet notifies the Department of Justice and the Department of Land Registry of the decision taken by the Cabinet regarding the application.

Cases which are exempted by the Cabinet are not subject to the former procedures, nor are cases where the national or economic interests of Egypt are preeminent, or where social considerations or the like are important.

Article 4. The Department of Land Registry, and other government departments, units of the public sector and state bodies concerned, must notify the governorates with data available about Non-Egyptians who own vacant

lands at the date that Law No. 81 of 1976 takes effect, and immediately inform the governorates of their ownership of such property after that date, which is subject to the provisions of clause (b) of Article 2 of that law.

In recognition of the above, the governorates can adopt the necessary procedures to locate the lands owned by Non-Egyptians.

Every governorate supervises the implementation of the commitment of Non-Egyptians to carry out the provisions of Article 2 of that law within a fixed time. In case of violation, the governorates may take or adopt the procedures necessary for the resale of the land to others at the expense of the violator.

Article 5. It is prohibited to register any transfer of property by Non-Egyptians who acquired that property according to the provisions of clause(b) of Article 2 of Law No. 81 of 1976, before the end of a period of five years from the date of the acquisition of that property.

The Department of Land Registry takes or adopts the procedures and guarantees necessary to watch for such violations within the time period mentioned.

Article 6. It is prohibited for Non-Egyptians to acquire property according to the provisions of Law No. 43 of 1974 concerning investments with Arab and foreign currency and free trade zones, except after getting the approval of the General Authority for Arab and Foreign Investment and the Free Zones concerning:

1. the establishment of the company in the case of a legal entity.

2. the project in the case of a natural person.

The approval of the Authority in the cases subject to Law No. 43 of 1974 above-mentioned is a necessary condition for the registration of the transfer or for obtaining other approvals and building permits.

Article 7. The Committee for supervising Building Construction in the Ministry of Housing and Reconstruction is responsible for examining the applications submitted by Non-Egyptians in accordance with the referred-to provisions of Law No. 81 of 1976. It must make a decision regarding these applications within fifteen (15) days of their presentation. It immediately notifies the local government departments in charge of such applications of these decisions.

The local department in charge of planning must make a decision regarding applications for building permits made by Non-Egyptians within thirty (30) days since its notification of the building approval by that Committee.

Article 8. Taking into consideration the provisions of Article 2 of Law No. 81 of 1976, a Non-Egyptian who desires to obtain locally the materials necessary for building, which amounts are estimated in the building permit and which are distributed by the departments of the State or under its supervision, cannot do so except through allocations from the Ministry of Housing and Reconstruction. There can be no subsidy on the price and all taxes and duties must be charged.

In this case, the value of these building materials must be paid in foreign currency changed at the official exchange rate, and after the owner has been charged with all taxes and duties.

Article 9. This regulation will be published in the Official Gazette and takes effect from the date of that publication.

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LAND REGISTRATION
(Law No. 18 of 1923)

Article 1. There must be represented publicly by registration in the office of the Clerk of the Court of First Instance for the jurisdiction where the real property is located or at the Mehkemeh, all completed acts between living persons, whether for valuable consideration or free of charge, and past judgments having the effect of forming, transferring, modifying or extending/expanding a right of real property or other real right, subject to the provisions governing liens/preferences, mortgages (hypotheques) and mortgage charges.

Failure to register will mean that the above-mentioned rights cannot be formed, transferred, modified or extended, either between the parties concerned or with regard to third parties.

Non-registered acts will not create personal obligations as between the parties concerned.

It is prohibited, within these limits, to make provisions ratifying the transfer of real property and other real property rights as a result of the simple assent of the parties.

Article 2. These acts must be subjected to the following formalities:

1. Acts and judgments already completed by means of a judicial decision declarative of rights of real property or other real rights mentioned in the preceding article, which comprises a partition of the real property.

2. Leases for more than nine years and anticipated receipts for more than three years in rent.

Failure to register means that the indicated acts and judgments are not valid with regard to third parties. Even though registered, they are no longer valid if they are made invalid because of fraud. However, regarding that which concerns the acts mentioned in section (2) above, third parties have only the right to reduce to nine years leases of a longer duration and to get back that which had been paid in advance beyond three years of rent.

Article 3. The acts submitted for registration must contain, in addition to evidence that they have been done properly, all endorsements necessary or useful for the identification of the parties and the individual identity of the property, particularly:

a. the names of the parties, that of their father and of their paternal grandfather, also the domicile of the parties.

b. the indication of the village, the name and number of the division and the number of parcels, if it is the result of a cadastral plan, also the boundaries and the area of the property, indicated as precisely as possible.

In deeds of sale and of exchange, the descent of the property with the name of the preceding owner must be indicated, also the date and number of the registration of his title, if it has been registered.

Article 4. Private contracts that do not contain the information mentioned in the previous article can only be registered upon the authorization of the public magistrate. They will receive, however, in the registry of addresses a rank number that will assure their rank until a decision by the judge, which is required to be made within thirty (30) days.

Article 5. In order to facilitate the fulfillment of the requirements of Article 3, the Government shall prepare printed forms regarding the principal acts subject to registration to be placed at the disposition of those interested.

Article 6. The signatures and the marks of the parties upon deeds under a private contract presented for registration must be legalized by one of the public officials or officers who is designated by the decrees mentioned in Article 17.

Article 7. Requests for annulment, cancellation, revocation or rescission of acts subject to registration, must be noted in the margin of the registration of the act attacked/contested.

If the act has not been registered, these requests are registered.

The requests regarding claims of all real property rights are also noted or registered.

Article 8. The notations and registrations mentioned in the preceding article are made at the request of the party and upon presentation of the signed document/ writ already published and enlisted.

The notation will indicate the date, the nature and conclusions regarding the request, also the names of the parties.

The registration will be made by certificate containing, in addition to the information mentioned in the preceding paragraph, a description of the real property.

Article 9. All interested parties may obtain the cancellation of the notation or registration mentioned in Article 7 by summary procedure. The judge will direct such cancellation if he considers that the notated or registered request is manifestly harassing.

Article 10. The judgments rendered upon the requests mentioned in Article 7 are noted, with their terms of enactment, and placed after the notation or as a footnote to the registration of the request.

Article 11. (NOW OBSOLETE) (Concerned rights of foreigners in the Mixed Courts abolished in 1949).

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Article 12. The notation or registration of the requests mentioned in Article 7 have the result that the right of the plaintiff, if it is verified by a judgment regularly noted, must be valid against third party purchasers and as to mortgagees after the date of the notation or registration of the request.

The rights obtained by third parties prior to the above-indicated annotation or registration remain governed by the provisions and principles then in force.

Article 13. The assignment or pledging as security of a mortgage guarantee by means of a real estate lien, the legal or conventional subrogation to these same rights, also the assignment of a mortgage priority/rank, can only be valid with regard to third parties if the endorsement of it has been made in the margin of the inscription or of the original registration.

The notation will be made at the request of the assignee, of the lien pledgee or subrogeem and will contain:

1. the date and the nature of the title.
2. the last names, first names, professions and domiciles of the parties.
3. the indication of the inscription or original registration, with its rank order number, its date, and indication of the page of the register where it is located.

Article 14. The present law will not be applicable to acts having been completed at a specific date and to judgments rendered prior to the date that it takes effect.

Their consequences remain regulated by the legislation under the authority of which they were completed.

However, after December 31, 1942, the above-indicated acts are no longer accepted to be registered when proof of the specific date of their completion does not result from the affixing of a seal or of the signature of a deceased person.

Article 15. The Minister of Justice can, by decree, set rules to be adopted for the future in the maintenance of land registration and inscription registers.

Article 16. Articles 47, 52, 550, 606, 609, 611, 612, 61[illegible] 615, 616, 617, 618 and 619 of the Egyptian Civil Code are hereby revoked, subject to the provisions of Article 12, paragraph (2), and Article 14 above. Also revoked are all provisions contrary to the present law or to a decree issued pursuant to the preceding ar[illegible]cle.

Article 17. Our Ministers of Finance and of Justice are responsible, each within his own area of concern, for the execution of the present law, which will take effect on January 1, 1924.

They shall issue the necessary decrees to that effect.

LANDLORD-TENANT RELATIONS

LANDLORD-TENANT LAW
(Law No. 52 of 1969)

PART ONE

LOCATION OF APARTMENTS

Chapter I. General Conditions

Article 1. This law is applicable to all types of premises, or parts of premises, except vacant lands - intended for rental as housing or to any other uses, furnished or not, rented by the owner or subleased, and located within the capitals of the Governorates and all places considered as cities, under Law No. 124 of March 28, 1960 (Local Government Law) and the laws that have modified it.

The Minister of Housing and Public Utilities may extend this law, in whole or in part, to villages proposed by the Governorate Council, with regard to residential zones made subject to the law by the local Administration mentioned above. His decree would have no effect upon rentals agreed to before its publication.

Chapter III is applicable to premises rented to administrations of the State and their dependencies, to local councils, to institutions, to public organisms, and to the Arab Socialist Union, in villages not having been made the object of a decree of the Minister.

Article 2. The first chapter is inapplicable to residential premises occupied by provisional authorization in view of facing unforeseen circumstances and in case of emergency. A decree of the Minister will limit these cases and fix the mode of possession of the requisition of this housing.

Article 3. For the above purposes, the owner of the expropriated property is treated as a tenant with regard to the portion of that land which he himself occupies. The premises requisitioned are considered as rented by the authorities benefitted by the requisition.

Article 4. All workers transferred from one village to another one in substitution of the first, enjoy the right of priority for residential location previously occupied by the worker displaced, provided that he notifies the landlord of his intention two weeks at least before the evacuation of the place, by registered letter with notification of receipt. It is forbidden to the owner to conclude a contract for that location before the end of that time period. The worker transferred must empty the occupied places as soon as he is assured a site in his new residence barring an act of God (force majeure). One may proceed to exchange premises among tenants living in the same city, and this in cities, quarters and according to conditions, measures and guarantees allowed by the Minister.

Article 5. One may not occupy more than one residence in the same city without a plausible motive. Premises destined for exploitation may not remain vacant for more than three months, if a tenant demands to rent them at the legal rate.

Chapter II. Evaluation and Fixing of Rent

Article 6. All persons who desire to erect a construction present to the planning (tanzim) authority a declaration of the value of the land

and its constructions to be erected, mentioning their specifications and the recommendations as to rental of the property and its apportionment among apartments. The declarations above-mentioned and the specifications contained in the regulation of execution supplement the documents whose production is required for obtaining a permit according to Law No. 45 of January 31, 1962 and Law No. 55 of March 16, 1964 (building permits) and the decrees to execute those laws.

Article 7. The decision of the planning authority approving the construction of the building indicates its general rental value according to this chapter, and its division among the apartments. The permit of construction mentions the decision of estimation and of division of rents, as a basis for that which the contract will conclude between the landlord and the tenant, while waiting for the definition fixing rent according to the present law.

Article 8. The fixing of rent for premises subject to this law and its division among apartments is carried out by committees formed by decree of the Governor each composed of two engineers, an official charged with the fixing or collection of the tax on buildings, two members of the Arab Socialist Union, and one from among owners of property of the city or village. The chairmanship of the committee falls upon the senior of the two engineers.

A quorum for meetings of the committees is 3 members, comprising necessarily one of the two engineers and the official charged with the fixing or collection of the tax. The decisions of the committee are made by a majority vote. In case of equal division of votes, that of the President is decisive. The Minister will make a decree fixing the rules and conditions which shall govern the work of the committees.

Article 9. Within 30 days of the expiration of the first contract of rent of an apartment of his property or of its occupation for the first time for whatever claim that may be, the owner notifies that fact to the above-mentioned committee, within the jurisdiction where the property is situated, in order to proceed to the fixing of the rental value and its division among the apartments after checking the works and the verification of their conformity to the specifications as a base to see that they have obtained the approval of the committee of coordination and of orientation of constructions and the permit for construction. The tenant must equally notify the committee of his entry on the premises which he occupies.

The regulation of execution decrees the formalities of notification required of the owner and of the tenant. This committee can take the duty of the initiative of evaluation itself or proceed by notification of the authority changed with the census of buildings.

The owner consigns the premises rented properly to be utilized, in fault of which the tenant, upon an order by a judge, can complete the works unfinished and deduct the expense from rent after having given the owner himself official notice of proceeding.

Article 10. The rental value of the property is evaluated thusly:

(a) The net yield of the exploitation of the property, at the rate of 5% of the value of the land and its constructions;

(b) Amartization of capital, expenses of repair,of maintenance and of administration, at the rate of 3% of the value of the construction.

Reserving the fiscal exemptions according to Law No. 169 of November 2, 1961, related to certain exemptions of the tax on buildings and to the reduction of rent according to the proportion of the exemption, the rent fixed according to the preceeding is increased as to its proportional part of the principal and additional taxes. All is without prejudice to the obligations respectively of owners and tenants as regards the tax, and of taxes arising from other laws now in effect.

The tenant must pay these duties and taxes with his monthly rent, under pain of sanctions provided in case of failure to make his payment.

Article 11. The value of the land is estimated according to the price of a similar parcel at the time of the construction, and the value of the building is estimated according to the market price of materials at the time of its construction.

The following factors are taken account of: the total value of the land, of constructions, of foundations, of exterior connections with public services, and whether the building occupies all the surface area authorized and is raised to the maximum height permitted by the regulations of the zone, with regard to the laws concerning alignment or all other dispositions.

If the building occupies all of the authorized surface area, without reaching, however, the maximum tolerated height, the value of executed constructions, of land, of foundations and of exterior connections with public services is calculated according to the number of stories constructed related to the number of stories authorized by the regulations concerning height.

In certain zones this proportion may be modified according to the location and general circumstances of urbanization.

If the construction only occupies a part of the authorized surface area, one does not have to count, in the establishment of rent, for that part of the land affected by the use of the property, provided that it is demarcated by fixed partitions, in the absence of which it is not counted in the constructed surface area.

In fixing the rental value of independent residences, or of constructions of a special character, such as schools or hospitals, one has to take account of the total value of the construction, of that of the land, of foundations and of exterior connections with public services, however, not considering the maximum tolerated height.

All changes in the situation having served as the base of the estimate leads to a corresponding new evaluation.

Article 12. The land is reevaluated for the fixing of rent, in case of adding to/elevating the construction, 5 years at least after the completion of the principal building, or by unforeseen changes inducing the application of laws in force relative to the imposition of a change upon property benefitted by an increase in value (betterment) as a result of public utility works. In this latter case the reevaluation of land has the effect of fixing the rent of new constructions only.

Article 13. Opposition to decisions of the committees fixing rents does not suspend their execution. They are considered as final if an appeal is not made within 30 days of their notification. The appeal hearing takes place before a court of the first instance of the location of the rented premises. The office of the clerk of the court notifies the name of the plaintiff and the date of the hearing to all other renters of the property. The court decision leading to the reevaluation of all the rents may be appealed. This decision can be appealed by the owner and the tenants.

Article 14. If the property is not rented at the moment of the fixing of the rent by the committee, the first tenant can appeal that decision within 30 days of the date that his contract enters effect. In that case the court decision applies only to the rent of the single apartment occupied by the plaintiff, to the exclusion of others.

Article 15. If the rent is valued at a total amount greater than that stipulated in the contract, the tenant will pay the difference monthly, divided into equivalent installments or can discharge the debt it at one time if he means to evacuate the place before the expiration of the contract.

The landlord must restore to the tenant the total difference resulting from the fixing of a rent lower than that fixed in the contract, according to the method of regulation mentioned in the preceding paragraph.

Chapter III. Obligations of Landlord and Tenant

Article 16. Immediately after this law takes effect rental contracts of property or apartment will be concluded in writing. The landlord will write down in the contract its date, the authority who has delivered the permit of construction and its number, and the general rental value of the property or apartment rented, estimated according to Article 7 of this law.

In case of violation, the location and the conditions of the contract may be proved by all means. The owner no longer can conclude a contract of rent for the group of property or one of the apartments.

Article 17. The owner cannot require, directly or through an intermediary, the payment of expenses or fees for the drafting of the contract, or all other supplemental payments over and above the deposit and rent stipulated. The prohibition applies also to the tenant. It is prohibited for the landlord to receive any rental advance under whatever form.

Article 18. The deposit paid by the tenant cannot be greater than two months of rent. This provision applies to contracts in operation at the time that this law takes effect. The tenant has the right to reimbursement of all the amount paid in addition to the deposit. He has the right to deduct that amount from his rent in twelve monthly installments or for the months remaining until the expiration of his contract, or at the time of his evacuation according to which is the shortest period, without requiring a judicial decision.

Article 19. The rent fixed and all analogous sums will be paid fully in conformity with this chapter within a time limit not greater than the first week of the month of the due date or of the date stipulated. If the landlord refuses to receive the rent and to deliver a receipt, within 15 days following, the tenant sends him a notification by registered letter with notice of receipt, summing up the receipt of the rent in that week. Past the time limit, the tenant deposits the rent without expenses, during the following week, at the Mamourieh (office) of taxes or of the administrative authority designated by the Minister. Without prejudice to all other rights of the landlord, the receipt of the deposit removes the obligation of the tenant.

Article 20. The tenant cannot be deprived of each of his rights, nor deprived of each advantage that he enjoys. The judge authorizes in such case that the tenant be restored his costs for expenses of the landlord by deduction from the rent or by a diminution of rent after summing to the landlord the cost for renewal of the places to their primitive state, with an indefinite time limit.

However, if the obligation of the landlord becomes onerous or incompatible with the product of the rents, the judge can divide among the landlord and tenants the expenses of the previous situation. The authority designated by the Minister of Housing can execute necessary works for the recovery of rights or benefits that the tribunal decides should be done at the expense of the landlord. He is responsible for the expenses and costs of that work, even if such monies must be collected by the administrative route.

Article 21. Not contrary to Article 5, the rental contract of an apartment does not end at the death of the tenant, or by his abandonment of the place, if he leaves after him his spouse, his children, his parents (father and mother) who were living with him until his death or departure. Besides the persons already mentioned, the parents of the tenant up to the third degree benefiting from the keeping of the contract, if they have lived with him for at least

one year before his death or during his occupation of the apartment if that duration is less have the same rights. The landlord then draws up an new contract to the benefit of the interested parties. In all conditions, the occupants of the apartment are jointly held to the conditions of the contract.

Article 22. By exception to Article 604 of the Civil Code, rental contracts keep their validity as regards a new owner of the property, the same if they have not been received a certain date after the transfer of the property.

Article 23. For all premises rented unfurnished, the landlord can demand of the tenant the evacuation of such places, the same as at the expiration of the contract, for one of the following reasons:

(a) If the tenant has failed to make a payment of rent more than 15 days after his formal demand for evacuation, by registered letter with notice of receipt, or by process-server. The judgment of expulsion cannot be rendered if the tenant pays the rent with past interest of 7%, as expenses of justice after the closing of the proceedings. In case of a second offense, without a plausible motive, the judgment of expulsion is pronounced.

(b) If the tenant has sub-leased the premises or is relinquishing or has abandoned the places to a third party, under whatever pretext, without the written consent of the owner, and without being contrary to Articles 4, 21 and 27 of this law.

(c) If the tenant has used premises or permitted them to be use for a purpose contrary to the reasonable conditions of the contract, or harmful to the interests of the landlord.

Article 24. The owner can increase the number of apartments of a rented building, by addition or elevation, even if the contract of rent opposes it. However, this increase does not exclude the eventual compensation of the tenant by a reduction in rent.

Article 25. The water consumption charge falls upon the occupant of the property, according to rules fixed by Decree of the Minister. If the occupant assumes the water consumption charge, he installs a meter at his expense, without the necessity of the consent of the owner. He then commits himself to pay his consumption of water to the landlord. In the case of a building where the occupant does not assume the water consumption charge, that amount is added to his charge, provided that the landlord installs at his expense a meter by apartment and consents to a reduction of 5% of the rent, with a minimum reduction of 20 piasters per month, of the first month that follows the installation of the meter. Delay in to paying the water consumption to the landlord carries the same sanctions as a delay in payment of rent.

Chapter IV. Rental of Furnished Apartments

Article 26. The owner may only rent one apartment furnished in each of his buildings. An Egyptian citizen residing abroad may temporarily sub-lease his premises furnished or not. The sub-tenant must give up the sub-lease to the principal tenant, within a maximum of three months of notification of having to leave. In the absence of the execution of the preceding, and if it is demonstrated that the principal tenant neglected to eject the subtenant, the landlord may force the subtenant to leave.

By an exception from the proceeding, the Minister of Housing, in conjunction with the Minister involved, regulates by decree the rental of furnished apartments for tourism or other purposes.

The rental of more than one furnished apartment is considered an act of commerce.

In all cases where the premises or parts of the premises are rented according to the provisions of the present article, the tenant will be held to have been advised completely of information concerning the premises rented, the owners of the indicated premises, those persons who reside there, the length of the lease, the dates of its beginning and expiration and, within a time limit of 48 hours, the date of the possession or the evacuation of the premises.

The determination of the authorities who will make the judgment and the information that must be considered there, and the cases of exemption of the presentation of the indicated opinion, will be made by decree of the Minister of Housing and Public Utilities, after consultation with the Minister of the Interior.

Article 27. The owners and tenants, within the centers of summer or winter holidays, designated by the Minister, can rent furnished apartments under conditions stipulated by decree.

Article 28. If the tenant is authorized to sub-lease his furnished apartment, the owner can have a supplement equal to 70% of the legal rent, for the duration of the subtenancy.

Article 29. The owner and the tenant who actually rents furnished apartments must conform to the dispositions mentioned above, within a time limit of one year after this law takes effect. Past that time period, the apartment is consigned to the owner or principal tenant, according to the circumstances.

PART TWO

CONSTRUCTIONS THREATENED WITH COLLAPSE

Article 30. This chapter applies to buildings threatened by total or partial collapse, putting in danger the life and well-being of people, thus buildings requiring repairs or maintenance in order to assure its strength or its conservation.

The Minister specifies the works of restoration or of maintenance and their restriction for the application of this chapter.

Article 31. The Administration of planning proceeds to inspect the constructions and buildings, prescribing the appropriate measures for the protection of the life and well-being of the population, by partial or total demolition, or their rebuilding in order to render them proper for their purpose.

Article 32. In cities and villages equipped with a local council, one or several committees are formed by Decree of the Governor to study the reports presented by the planning (tanzim) authority on the state of places and bringing to their consideration appropriate measures. The decree determines the mode of composition of the committee and the procedure to be followed.

Article 33. The decision of the committee is signified by administrative procedure to those interested, owners, occupants and affected parties; a copy is remitted to the planning administration. If service of process proves to be difficult, in view of their repeated absence or ignorance of their actual domicile, or as a result of their refusal to receive a copy, that notice is posted in a place visible from the building or an announcement board at the police post where the building is located, at the mayor's office of the locality, or at the announcement board of the Local Council, according to the circumstances. The procedure is the same as if there were notification for decisions relative to property where it is impossible to reach the interested parties.

Article 34. All interested parties can appeal the decision stated in Article 33, within 15 days of its notification, before the court of the first instance of the place where the property is located.

Article 35. The interested parties are obliged to execute the decision of the committee within the time limit granted, without prejudice to dispositions under Law No. 45 of 1962 regarding constructions.

Article 36. At the completion of the work of restoration or of maintenance, the owner notifies the planning Administration. The notification comprises a request for approval of expenses as provided by executory regulation.

The Administration decides upon the request of the owner within 3 weeks and notifies the owner and tenants of its decision.

Immediately after notification of the decision is made to the owner, he can collect the rent beginning from the month that follows the completion of the works, based upon an increase of annual rent equal to 12% of the total amount of the works of restoration and of maintenance, without exceeding 50% of the total rental value.

The non-payment by the tenants of this increase brings about the same sanctions as a non-payment of rent.

Article 37. It is permitted to the Ministry of Housing to allow public organizations under his control, after approval by other authorities, to consent to loans to owners of property subjected to the present law, so that they are permitted to fix/complete the restoration and maintenance. A Decree of the Minister of Housing, in agreement with the Minister of the Treasury, will fix the conditions and bases for these loans.

These loans are exempt from all taxes and duties susceptible to be recovered by way of administrative procedure. They enjoy with respect to the property restored a privilege of the same nature that is recognized by the Civil Code as to debts of businessmen and architects.

Article 38. If the works of restoration or of maintenance/upkeep require the temporary evacuation of a building, the names of its occupants are registered by a verbal administrative process. The lanning Administration notifies them of the time limit for evacuation of the premises. If there is failure of these persons to obey within the time limit, it proceeds by administrative evacuation. The occupants have the right to return to their apartments without the need for the authorization of the owner. They may proceed by administrative means in case of obstruction to that return.

The total amount of rents not collected during the period of evacuation are added to the expenses of repairs for the execution of works of restoration, or of maintenance fixed by the administration.

This period cannot be prolonged by a decision of the authority mentioned above. In this case, the tenant can appeal to the competent court of first instance.

During this period the apartment is considered in the possession of the tenant. The owner cannot change the use of the premises. All remains as above unless the tenant manifests his desire not to remain until the end of the lease period, within a period of fifteen (15) days of his notification of the temporary evacuation.

Article 39. The administrative authority of planning(tanzim), in case of imminent danger, can evacuate the building and also neighboring buildings, if there is the need, and take such necessary precautions and measures within the time limit of one week, unless the building faces collapse, in which case it can be evacuated immediately.

It has equally the right, in case of extreme urgency, to demolish the construction under a judgment of the court.

The tenant has the right, in all cases where it is proceeding to demolition and in case of reconstruction of the building, to occupy an apartment there.

PART THREE

DISPUTES AND PENALTIES

Article 40. The ordinary tribunals are solely competent for settling disputes that appear in the application of the present law. Appeals are carried before a court of first instance in the jurisdiction where the property is located.

Article 41. The committees charged with the estimation of the rental value, mentioned in Article 4 of Law No. 46 of January 31, 1962, relative to the fixing of rents, and modified by Law No. 133 of September 1, 1963; remain in charge until the completion of the examination of the cases which are subject to them until the present law takes effect.

The decisions rendered by these committees, where the time limit of appeal has not expired according to Article 5, are susceptible to appeal within 30 days of the taking effect of the present law.

Article 42. The councils of review mentioned by Law No. 46 of 1962 above are at the time of the taking effect of this law abolished by the state and the appeals carried before them are sent to the court of first instance, without cost.

Article 43. The dispositions relative to the fixing of rent and those relative to infractions mentioned by Law No. 121 of July 14, 1947 concerning rental to premises and relations between landlords and tenants, and those of Law No. 169 of July 25, 1961 concerning a reduction of rents in concurrence to its exemptions - and those of Law No. 46 of 1962 mentioned above concerning the fixing of rentals of premises, and those of Law No. 7 of February 20, 1965 regarding reduction of rents, and of other laws, are modified. They remain in force with limitations on their application.

Article 44. A penalty of imprisonment for not more than 3 months and a fine of not more than LE 200 or one of the above penalties, is applicable to those who violate articles 4,5,7,9 paragraph 1, 16, 18, 26, or 29 of the present law.

Article 45. A penalty of up to 6 months of imprisonment and LE 500 of fine or one of these penalties is applicable to those who violate Article 17, whether landlord, tenant or intermediary.

Tenants and intermediaries who denounce or confess their offence are exonerated from penalty.

Article 46. A penalty of imprisonment of one week and a fine not over LE 10, or one of these penalties, is applicable to all landlords who have violated Article 35, without prejudice of the judgment condemning him to repair the building, to demolish it or to cut off a part of it within the time limited fixed by the court.

If the interested party does not execute the judgment within the time limit granted, the administrative authority regarding planning (tanzim) can execute the judgment, with expenses due from the interested party, recovered by the administrative procedure.

Article 47. Without being contrary to Article 43, Law No. 121 of July 14, 1947; Law No. 40 of January 31, 1962; and Law No. 7 of February 20, 1965 mentioned above and the laws amending them are hereby revoked. Law No. 605 of November 17, 1954, relative to buildings threatened by collapse, is also abrogated, as are also all dispositions contrary to the present law.

Article 48. The present law is applicable immediately after its promulgation.

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EGYPTIAN CIVIL CODE BOOK II
(Leases)

BOOK II

SPECIFIC CONTRACTS

CHAPTER II. Contracts Relating to the Use of a Thing

Section 1. Leases

1. Leases Generally

Elements of a Lease

Article 558. A lease is a contract by which the lessor undertakes to enable the lessee to enjoy a specific thing for a certain time in return for a fixed rent.

Article 559. In the absence of a provision of the law to the contrary, a person who has only a right of management cannot, without the consent of the competent authority, enter a lease for a term exceeding three years. If the lease is granted for a longer term, it will be reduced to three years.

Article 560. A lease granted by a usufructuary, unless ratified by the bare owner, ends when the usufruct is extinguished, subject to the time period provided for giving notice of evacuation and the time required to gather in the annual crop.

Article 561. Rent may consist either of money or of any other kind of consideration.

Article 562. If the parties have not agreed the amount of the rent or the manner in which the rent shall be fixed, or if the amount of the rent cannot be established, it must be based on the current rent for other similar properties.

Article 563. If a lease is concluded without any agreement as to term, or for an undetermined period, or if the term cannot be established, it is deemed to have been made for the term fixed for payment of the rent. It expires at the end of the term in question, at the request of one of the parties, subject to notice being given by him to the other party as follows:

a. in the case of agricultural and uncultivated land, if rent is payable each six months or if the term for payment is more than six months notice must be given three months before the end of the term; if the term is less than six months notice must be given before the last half term, subject always to the right of the lessee to the crops in accordance with custom.

b. in the case of houses, shops, offices and business premises, industrial establishments, warehouses and other similar premises, if the rent is payable every four months or at longer intervals, notice must be given two months before the end of the term. If the term is less, notice must be given before the last half term.

c. in the case of apartments, furnished rooms and all kinds of premises not mentioned above, if the rent is payable every two months, or at longer intervals, the notice must be given one month before the end of the term. If the term is less than two months the notice must be given before the last half term.

Effects of a Lease

Article 564. The lessor is bound to deliver to the lessee the leased property and its accessories in a condition suitable for the purpose for which it is intended, in accordance with the agreement between parties or with the nature of the property.

Article 565. If the leased property is delivered to the lessee in such a condition that it is unfit for the use for which it is leased, or if its usefulness is appreciably diminished, the lessee may demand either the termination of the lease or a reduction of the rent equivalent to the loss of use. In both cases he is entitled to claim compensation, if compensation is due.

If the leased property is in such a condition that it constitutes a serious danger to the health of the lessee, or those who live with him, or his employees or workmen, the lessee may demand termination of the lease, even if he has renounced the right to do so beforehand.

Article 566. The rules laid down as regards the obligation of delivery of the thing sold, especially as to time and place of delivery, as to extent, weight or measure, and as to determining its accessories, are applicable to the obligation of delivery of the leased property.

Article 567. The lessor is bound to maintain the leased property in the state in which it was at the time of delivery. He must make, during the continuance of the lease, all repairs which may become necessary, except "lessee's" repairs.

The lessor is also bound to do such plastering and white-washing of the roofs as may be necessary, and to clear wells, cesspools and drains.

The lessor is responsible for charges and taxes due on the leased property. The lessor is also responsible for the cost of water, if it is supplied for a lump sum, but the lessee is responsible if it is supplied by meter. The costs of electricity, gas and of other requirements for personal use are payable by the lessee.

The above rules only apply in the absence of agreement to the contrary.

Article 568. If a lessor having been summoned, delays the performance of the obligations mentioned in the preceding article, the lessee may, without prejudice to his right to claim termination of the lease or a reduction of rent, obtain authority of the Court to perform them himself and deduct the cost from the rent.

In the case of immediate repairs or minor repairs for which the lessor is responsible, whether resulting from a defect existing at the time the premises were taken over by the lessee or happening subsequently, the lessee may, without the authority of the Court, carry them out and deduct the cost thereof from the rent, if the lessor, having been summoned to do so, does not carry them out in a reasonable time.

Article 569. If, during the course of the lease, the leased property is totally destroyed, the lease is, ipso facto, determined.

If, as a result of a cause not imputable to the lessee, the leased property is only partially destroyed or deteriorates to such an extent that it becomes unfit for the use for which it was leased, or if such a use is appreciably diminished, the lessee may, if the lessor does not restore the leased property to its original condition within a reasonable time, ie. a delay which does not affect the business or activity of the lessee, claim, according to the circumstances, either a reduction of the rent or the termination of the lease, without prejudice to his right to perform himself the obligations of the lessor in accordance with the provisions of the preceding article.

In the two preceding cases, the lessee cannot claim compensation if the loss or deterioration arises from a cause not imputable to the lessor.

Article 570. The lessee must not prevent the lessor from making immediate repairs required for the preservation of the leased property but if such repairs cause a complete or partial loss of enjoyment, the lessee may claim, according to the circumstances, termination of the lease or reduction of the rent.

If, however, the lessee continues to occupy the premises until the repairs are completed, he will forfeit his rights to claim termination of the lease.

Article 571. The lessor shall abstain from doing anything which may disturb the lessee in his enjoyment of the leased property, and shall not make any alterations to the property or to its accessories that diminish such enjoyment.

The lessor not only warrants the lessee against his own acts and against those of his servants but also against any disturbance or damage based on a lawful claim by any other lessee or by any successor in title of the lessor.

Article 572. If a third party claims to have rights incompatible with those derived by the lessee from the agreement of lease, the lessee shall forthwith give notice to the lessor of such a claim and shall be entitled to demand that he be dismissed from the case. In which event, proceedings will be taken solely against the lessor.

If, as a result of such a claim, the lessee is effectively deprived of the enjoyment to which he is entitled in accordance with the agreement of lease, he may, in accordance with the circumstances, claim termination of the lease or a reduction of rent together with payment of damages if damages are due.

Article 573. When there are several lessees of the same property, the lessee who, without fraud, first entered into possession will have preference. If a lessee of an immovable property has, in good faith, effected transcription/registration of his lease, before another lessee has entered into possession or before the renewal of his lease, such lessee will have preference.

In the absence of reasons giving preference to one lessee, the only recourse of a lessee in respect of any right not enjoyed by him is a claim for damages.

Article 574. If, as a result of an act lawfully done by a Government Authority, the enjoyment of the property leased is appreciably diminished, the lessee may, in accordance with the circumstances, and unless otherwise agreed between the parties, claim termination of the lease or a reduction of rent. If the grounds for the act of such Government Authority are the result of an act imputable to the lessor, the lessee may claim payment of damages.

Article 575. A lessor does not warrant the lessee against trespass by a third party who does not claim a right over the leased property. This shall not, however, affect the right of the lessee to take action in his name against such third party for damages and to take all other possessory actions.

If, however, the trespass is not in any way imputable to the lessee and is sufficiently serious to deprive him of the enjoyment of the leased property, the lessee may, in accordance with the circumstances, claim termination of the lease or a reduction of rent.

Article 576. Subject to any agreement to the contrary, the lessor warrants the lessee against all defects which prevent or appreciably diminish the enjoyment of the property, but not against those defects that are customarily tolerated, and is responsible for the lack of qualities which he specifically warranted to exist or which are essential to the intended use of the property.

The lessor, however, does not warrant the lessee against defects of which the lessee was informed or of which he was aware at the time of the conclusion of the contract.

Article 577. If the leased property is found to have a defect against which the lessee has been warranted by the lessor, the lessee may, in accordance with the circumstances, claim termination of the lease or reduction of the rent. The lessee may also call upon the lessor to make good the defect or do so himself at the cost of the lessor, if the cost thereof is not an excessive burden on the lessor. If the defect causes any damage to the lessee, the lessor shall be liable to pay compensation, unless the lessor can establish that he was not aware of the defect.

Article 578. Any agreement excluding or limiting the warranty against disturbance or defects is void if the lessor has fraudulently hidden the cause of such warranty.

Article 579. The lessee must use the leased property in the manner agreed. In the absence of any agreement, he must use the property in accordance with the purpose for which it is designed.

Article 580. The lessee may not, without the permission of the lessor, make any alteration to the leased property unless no damage is thereby occasioned to the lessor.

If the lessee makes alterations to the leased property in excess of the limits prescribed in the preceding paragraph, he may be compelled to reinstate the property in its original condition and to pay compensation if compensation is due.

Article 581. The lessee may install in the leased property, unless the lessor can show that the installations endanger the safety of the building, water, electric light, gas, telephone, wireless and other like installations, provided that the manner in which such installations are made is not contrary to general practice.

If the intervention of the lessor is necessary for the completion of any of these installations, the lessee may call upon the lessor to intervene, on condition that he undertakes to pay the expenses incurred by the lessor in this connection.

Article 582. In the absence of an agreement to the contrary, the lessee is bound to carry out lessee's repairs in accordance with the general usage.

Article 583. The lessee shall use and preserve the leased property with the care of a reasonable person.

The lessee is responsible for any deterioration of or loss to the leased property during his enjoyment thereof which are not the result of normal use.

Article 584. The lessee is responsible for damage to the leased property by fire, unless he can establish that the cause thereof was not imputable to him.

When the building is occupied by several lessees, all such lessees, including the landlord if he lives on the premises, are responsible for the fire, each in proportion to the part he occupies, unless it is proved that the fire started in the part occupied by one of them, in which case that one alone will be responsible.

Article 585. The lessee must forthwith notify the lessor of all matters that require his intervention, such as urgent repairs, the discovery of defects, encroachments and disturbances or damage by third parties to the leased property.

Article 586. The lessee must pay the rent at the agreed times and, in the absence of agreement, at times established by the custom of the place where the property is situated.

In the absence of an agreement or local custom to the contrary, the rent will be paid at the domicile of the lessee.

Article 587. The payment of a term's rent establishes in favor of the payee a presumption, subject to proof to the contrary, that former terms have been paid.

Article 588. Unless the rent is paid in advance or unless the lessee provides other guarantees, the lessee of a house, warehouse, shop or similar establishment or of agricultural land, is bound, in the absence of an agreement to the contrary, to stock the leased property with furniture, goods, crops, cattle or implements of sufficient value to secure the rent for two years or for the period of the lease if less than two years.

Article 589. The lessor has, as warranty for all amounts due to him under the agreement of lease, a lien on all the attachable movables stocking the leased property, while they are subject to the lessor's right of privilege, even when they do not belong to the lessee. The lessor has the right to object to their removal and, if they are removed notwithstanding his objections or without his knowledge, to claim their recovery from their possessor even in good faith, subject always to the rights of such possessor thereon.

The lessor cannot exercise his rights of retention or of recovery when the movables have been removed to meet the professional requirements of the lessee or in accordance with customary requirements of daily life, or if the movables remaining on the leased property or already recovered are sufficient fully to cover the rent.

Article 590. The lessee is bound, upon the expiration of the lease, to restitute the leased property. If he retains it unlawfully, he must pay compensation to the lessor on the basis of the rental value of the property and of the loss suffered by the lessor.

Article 591. The lessor is bound to restitute the leased property in the condition in which it was at the time he took delivery thereof, subject to loss or deterioration due to a cause not imputable to him.

If no proces-verbal or inventory setting out particulars of the property was drawn up at the time of delivery, the lessee is presumed, subject to proof to the contrary, to have received the property in good condition.

Article 592. If the lessee has erected buildings, planted trees or made other improvements which have increased the value of the property, the lessor is, subject to an agreement to the contrary, bound at the end of the lease to repay him the expenses incurred by him or the increase in value of the property.

If such improvements were made without the knowledge of the lessor or notwithstanding his objections, the lessor may claim their removal and may in addition call on the

lessee to pay compensation, if compensation is due, for any damage to the property resulting from such removal.

If the lessor prefers to keep these improvements and pay one of the two amounts indicated above, the Court may give him time for settlement.

Assignment of Lease and Sub-Lease

Article 593. The lessee may, in the absence of an agreement to the contrary, assign his lease or sublet the whole or any part of the leased property.

Article 594. A prohibition of sub-letting implies a prohibition of assignment and vice-versa.

When, in the case of a lease of an immovable property in which an industrial or commercial establishment has been created, circumstances have compelled the lessee to sell such industrial or commercial establishment, the Court may, notwithstanding the condition prohibiting sub-letting, decide to maintain the lease in force if the purchaser furnishes adequate security and the lessor suffers no real prejudice thereby.

Article 595. When a lease is assigned, the principal lessee remains guarantor for the performance of the assignee's obligations.

Article 596. A sub-lessee is answerable directly to the lessor for the amounts that he, the sub-lessee, owes to the lessee as from the time a summons is served on him by the lessor.

A sub-lessee cannot set up against the lessor payments made by him in advance to the principal lessee, unless they were made before the summons, in accordance with custom or a formal agreement concluded at the time of the sub-lease.

Article 597. A lessee ceases to be answerable to the lessor, either as guarantor of the assignee in case of the assignment of the contract of lease, or as regards his obligations arising from the principal contract of lease in the case of a sub-lease:

1. if the lessor has formally agreed to the assignment of lease or to the sub-lease;

2. if the lessor has received, without reserving his rights as against the lessee, the rent directly from such assignee or sub-lessee.

The end of a contract of lease

Article 598. A lease ends at the expiration of the agreed term without it being necessary to give notice of evacuation.

Article 599. If, after the lease has expired, the lessee continues to enjoy the leased property to the knowledge of and without objection on the part of the lessor, the lease is deemed to be renewed upon the same conditions but for an indefinite duration. The lease so renewed is governed by the provisions of Article 563.

This tacit renewal is deemed to be a new lease and not a mere prolongation of the original lease. Neverthe-

less, subject to the rules of publication applicable to real property, the real securities supplied by the lessee in guarantee of the old lease are transferred to the new lease unless the surety consents thereto.

Article 600. When notice of evacuation has been given by one party to the other party and the lessee, notwithstanding the notice, continues to enjoy the property after the expiration of the lease, the lease will not, subject to proof to the contrary, be deemed to have been renewed.

Death or involvency of the lessee

Article 601. A contract of lease is not terminated either by the death of the lessor or of the lessee.

In the event of the death of the lessee, however, his heirs may claim the termination of the lease if they establish that, as a result of the death of the person whose estate they inherited, the burden of the lease has become too heavy for their resources or that the lease exceeds their needs. In such an event, the periods of notice of termination laid down in Article 563 shall be observed and the claim for termination of the lease made within six months at the most from the date of the death of the lessee.

Article 602. If the lease has been granted to the lessee solely on account of his calling or of other considerations relating to his person, his heirs or the lessor may, on his death, claim termination of the lease.

Article 603. The insolvency of the lessee does not render immediately payable rents that have not become due.

The lessor, however, may claim termination of the lease, unless he is provided within a reasonable time with securities guaranteeing the payment of rent not yet due. The lessee may also, if he is not given authority to assign the lease or to sub-let the property, claim the termination of the lease on payment of equitable compensation.

Article 604. In the case of a voluntary or forced transfer of the ownership of the leased property to a third party, the new owner is only bound by the lease if it has been given an established date prior to the act entailing the transfer of ownership.

The new owner may, however, avail himself of the contract of lease, even if he is not bound by such contract.

Article 605. A person acquiring the leased property, who is not bound by the lease, can only evict the lessee by giving him notice as provided for in Article 563.

In the absence of a provision to the contrary, the lessor must, if notice of eviction is given before the end of the lease, compensate the lessee. The lessee cannot be evicted before he receives compensation either from the lessor or from the new owner paying on behalf of the lessor, or until he has obtained an adequate security for the payment of such compensation.

Article 606. The lessee cannot set up rent paid in advance against a new owner, if the new owner proves that at the time of payment the lessee knew or should necessarily have known of the transfer of ownership. Failing proof thereof, the new owner has only a remedy against the lessor.

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Article 607. When it has been agreed that the lessor may terminate the contract if he becomes personally in need for the property, he shall, if he exercises his right, be bound, unless otherwise agreed, to give the lessee notice of termination in accordance with the periods provided for in Article 563.

Article 608. When a lease is made for a fixed period, either the contracting parties, may if serious and unforeseen circumstances arise of such a nature as to render, from the commencement of or during the lease, the performance too burdensome, demand the termination of the lease before its expriation, provided he gives notice in accordance with the delays provided for in Article 563 and pays equitable compensation to the other party.

If it is the lessor who demands termination of the lease, the lessee will not be compelled to hand back the leased property before he has been compensated or obtained adequate guarantee.

Article 609. An official or an employee whose duties oblige him to change his place of residence may claim termination of the lease of his dwelling house, when his lease is made for a fixed period, provided that he gives notice of such termination in accordance with the delays provided for in Article 563. Any agreement to the contrary is void.

2. Certain kinds of leases

Leases of agricultural land

Article 610. If the leased property is agricultural land, the lessor is not bound to hand over to the lessee cattle and agricultural implements existing on the land unless they are included in the lease.

Article 611. When cattle and agricultural implements belonging to the lessor are handed over to the lessee, the lessee is under the obligation to take proper care of them and to maintain them in the manner required for their customary use.

Article 612. When a lease of agricultural land provides that the lease is made for one or several years, it is deemed to be for one or several completed annual rotations of crops.

Article 613. A lessee of agricultural land must work the land in accordance with the requirements of normal agricultural use. He must, more particularly, maintain the land in a good state of production.

He must not, without the consent of the lessor, make any substantial change in the established method of cultivating the land, the effects of which might extend beyond the period of the lease.

Article 614. Subject to an agreement or custom to the contrary, the lessee is bound to carry out repairs necessary for the normal enjoyment of the leased land. He is in particular responsible for the clearing and maintenance of canals, trenches, channels and drains. He is also responsible for the normal maintenance of roads, dikes, bridges, fencing, wells, dwelling houses and farm buildings.

The erection of buildings and major repairs to existing buildings and dependencies on the land are, subject to any agreement or custom to the contrary, the responsibility of the lessor. The same rule applies as regards to wells, canals, water channels and reservoirs.

Article 615. If the lessee has, as a result of force majeure, been prevented from preparing or sowing the land, or if the whole or the greater part of the seed has been destroyed thereby, he is, subject to any agreement to the contrary and as the case may be, relieved from payment of the whole or part of the rent.

Article 616. If, after having sown, a lessee loses all his crop by force majeure before harvest time, he can demand remission of the rent.

If the crop is only partially destroyed, but a considerable decrease in yield results therefrom, the lessee may demand a reduction of the rent.

The lessee cannot demand a remission or a reduction of rent if he is compensated against his loss either by the profits he has derived during the whole period of the lease, by an amount received under an Insurance Policy or by any other means.

Article 617. If, at the end of a lease, the harvest has not ripened for reasons not imputable to the lessee, he may, upon payment of a proportional rent, remain on the leased land until the harvest ripens.

Article 618. An outgoing lessee shall do nothing of a nature to diminish or retard the enjoyment of the land by an incoming lessee. He is bound, in particular, just before vacating the land, to allow the incoming lessee to prepare the land and to sow, if he does not sustain any injury thereby.

Amodiation

Article 619. Agricultural land and land planted with trees may be granted in amodiation to a lessee in consideration of the lessor taking a fixed share in the crop.

Article 620. In the absence of agreement or custom to the contrary, the conditions governing leases apply to amodiation, subject to the following provisions.

Article 621. The amodiation is, when no term is fixed, deemed to have been granted for one yearly rotation of crops.

Article 622. The lease in case of amodiation includes agricultural implements and cattle belonging to the lessor which are on the land at the time of the agreement.

Article 623. The lessee must give to the cultivation and to the preservation of the crop the same care that he gives to his own affairs.

The lessee is responsible for deterioration to the land during his enjoyment, unless he proves that he looked after the preservation and maintenance of the land with the care of a reasonable person.

The lessee is not bound to replace cattle that die or agricultural implements worn out through no fault of his own.

Article 624. The produce is divided between the two parties in the proportion agreed upon or established by custom; in default of agreement or custom the produce is divided equally.

Loss by reason of force majeure of all or part of the produce is borne equally by the two parties and gives rise to no claim by either party against the other.

Article 625. In amodiation, the lessee cannot assign the lease or sub-let the land amodiated without the consent of the lessor.

Article 626. The amodiation does not determine on the death of the lessor, but determines on the death of the lessee.

Article 627. When the amodiation ceases before the end of its term, the lessor must reimburse the lessee or his heirs for any expenditure made in respect of crops which have not ripened, and pay equitable compensation for work that the lessee has done on the land.

If, however, the amodiation is dissolved by the death of the lessee, his heirs may, instead of claiming reimbursement of the expenses herein-before referred to, take the place of their principal until the crops have ripened, provided they are in a position to continue the proper cultivation of the land.

Lease of wakf property

Article 628. A Nazir (administrator) has the right to let Wakf property. A beneficiary, even if he is the sole beneficiary, cannot grant a lease unless the right to do so has been given to him by the constituant of the wakf, or unless he is authorized to do so by a person who has power to grant a lease, whether he be the Nazir or the Judge.

Article 629. The Nazir is the person entitled to receive the rent, and payment must not be made to the beneficiary without the consent of the Nazir.

Article 630. The Nazir is not entitled to take the Wakf property on lease even at the current rent for similar properties.

The Nazir may lease Wakf property to his ascendents and descendents, provided that the rent is the current rent for similar properties.

Article 631. A lease of Wakf property is not valid if the rent is grossly inadequate, unless the lessor is the sole beneficiary with power to administer the Wakf. In such a case, the lease, notwithstanding the gross inadequacy of the rent, will bind the lessor, but will not bind beneficiaries who succeed him.

Article 632. In cases of lease of Wakf property, the estimation of the current rent for similar properties will be made at the time of the conclusion of the contract of lease. Any changes taking place after that date shall not be taken into account.

When a Nazir grants a lease of Wakf property for a grossly inadequate rent, the lessee is bound, under penalty of termination of the contract, to make up the rent to the rent for similar properties.

Article 633. The Nazir cannot, without the authority of the Judge, lease Wakf property for a period exceeding three years, even by successive contracts. Any lease entered into for a longer period shall be reduced to three years.

If, however, the Nazir is also either the founder or the sole beneficiary, he may, without it being necessary to obtain the authority of the Judge, lease the Wakf property for more than three years, subject to the right of the Nazir succeeding him to claim the reduction of the period to three years.

Article 634. The provisions relating to lease apply to the lease of Wakf property, insofar as they are not incompatible with the preceding provisions.

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RENTALS AND KEY MONEY
(Military Regulation No. 4 of 1976)

In the Name of Allah the Almighty
By Order of the Vice Governor-General

The Vice Governor-General

After reviewing the Constitution
and the Penal Law
and the Civil Law
and Law No. 162 of 1958 regarding the state of emergency;
and Law No. 52 of 1969 regarding rental of housing and the relationship between landlords and tenants;
and Law No. 43 of 1974 regarding foreign and Arab investment and free zones;
and Law No. 52 of 1975 regarding local government administration;
and Law No. 109 of 1975 regarding Cooperative Societies;
and Law No. 107 of 1976 establishing the fund for the financing of economic housing projects;
and the Order No. 6 of 1973 issued by the Vice Governor-General;
and the decision of the High Court in the interpretation of application number 2 for the judicial year 6;
and the decision of the State Council;

decides:

Part One

Concerning some Procedures for Rental of Housing

Article 1. The owner-lessor cannot let more than one furnished flat in any city. If the owner lives abroad temporarily then he can let his home/flat, either furnished or unfurnished. He must notify the lessee not more than one month before his return to vacate the place. The lessee has to return the place to him not later than three (3) months after being notified in writing by the note asking him to evacuate.

Article 2. The lessee cannot, if he is not in a summer resort as defined by the law of rental of housing, let the rented place, either furnished or unfurnished, to a third party even if he has the permission of the owner-lessor.

However, as an exception to the above, an Egyptian lessee who is living abroad temporarily can let the rented place, whether furnished or unfurnished, and the sub-lessee must return the property to him not later than three (3) months after receiving an evacuation notice. If such notification does not take place or if it is proved that the lessee is unwilling to drive out the sublessee although he has returned, then the lessor can terminate the lease/vacate the building.

Article 3. Without violating the provisions of articles 1 and 2 of this regulation, the owners and lessees of furnished places, during the time taken to put this order into effect, must improve their present situations

regarding the previous provisions within three (3) months at most of the taking effect of this law as follows:

1. An Egyptian lessee living in a furnished apartment which has been rented to him by the owner for five (5) continuous years before this order took effect, can rent it vacant at the legal rent and return the furniture to the owner/lessor and also compensate him for improvements and additions that might have been added to the apartment. This action may be taken if there has been no final judgement issued against the lessee to vacate the apartment.

2. In order to make use of the provisions of the previous clause, the Egyptian lessee, renting an apartment that is indirectly furnished, should have lived there for a continuous year before this order took effect.

3. In cases other than those mentioned in the two previous clauses, contracts shall terminate if its contractual period ends, or if six months has passed since this order took effect, whatever is less, and the place shall be returned to the owner or original lessee as the cases allow.

Article 4. In all cases, the income from renting any furnished unit is subject to the tax on income from industrial and commercial purposes.

Article 5. The provisions of the second clause of Article 594 of the Civil Code, and any other provisions regarding selling moveable property does not apply to pieces of furniture in the housing units, except if they were used for commercial or industrial purposes. Every agreement that violates this provision shall be null and void.

Part Two

Concerning Ownership of Buildings and Vacant Land

Article 6. It is not permitted to sell more than ten (10) percent of the total number of units in every licensed building after this order takes effect. If the total number of units in the building does not equal ten (10) then only one unit can be sold.

Buildings built by the Cooperative Societies for Building Houses are exempted from the above provisions with the purpose of allowing members to acquire their own homes.

Article 7. It is prohibited for those who have contracted to sell such units before this law took effect or those who so contract after the order and its provisions took effect, to deliberately delay the completion of those units to a more suitable time, or to hinder the making use of such buildings for their intended purposes.

Article 8. A member of a Cooperative Society for Building Houses must build on the land allotted to him within five (5) years after he actually receives the land and after it is supplied with the necessary public utilities.

Where such allotment was made before this order took effect, then the referred-to period is counted from the date when the order took effect.

If the member does not build during the period mentioned in this article, then the Society must take back the land from him and allocate it to another member.

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Article 9. It is prohibited for a member of a Cooperative Society for Building Houses to dispose of the land or the units allocated to him in his capacity as a Cooperative Society member to others than to members of his Society according to its internal rules. Everything that violates this rule shall be considered null and void.

Part Three

Procedures for Water Use

Article 10. The charge for making use of water is placed upon the tenants/occupants of places, whatever its date of establishment, according to the positions stated in section 183 of the decree of the Minister of Housing and Reconstruction No. 1043 of 1969, an executing regulation of Law No. 52 of 1969.

Article 11. Owners of apartments, whether all or part of the building is let, must use water tanks and pumps sufficient to supply water to all storeys of the building, and use pipes with a sufficient radii (dimension) to permit the necessary amount of water to pass for consumption purposes, according to the rules and conditions stated in a decree of the Governor, after consulting with the department in charge of the water utility, and with the agreement of the Local Board in charge of water.

The provisions of Article 36 of Law No. 52 of 1969 shall be applied as regards the sums spent by owners in executing/implementing the commitment required by the previous clause.

Part Four

Concerning Key Money, Final Judgements and Penalties

Article 12. The provisions of Parts One and Two of this order are not applicable to projects of housing and construction carried out according to the provisions of the law that organizes foreign and Arab investment/currency and the Free Zones.

Article 13. Everyone who receives key money in any way shall be penalized by being arrested and by paying a fine that is not less than the amount that he has taken as key money. In addition, he must return the money that he has received.

Article 14. Anyone who violates the provisions of articles 1, 2, 3, 6, 7 and 9 of this order shall be penalized by imprisonment for not more than six (6) months and a fine that is not more than one thousand pounds (LE 1000), or by either of these two penalties.

Article 15. Everyone who violates the provisions of the first clause of Article 10, or the first clause of Article 11, is penalized by paying a fine that is not more than five hundred pounds (LE 500).

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PROPERTY TAXES

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TAX ON BUILDINGS
(Law No. 56 of 1954)

(As amended by Law No. 549 of November 9, 1955; Law No. 12 of January 12, 1959; Law No. 294 of December 1, 1960; Law No. 129 of July 25, 1961; and Law No. 46 of June 30, 1971)

After reviewing the Decree of March 13, 1884, as modified by Law No. 2 of February 5, 1909, by Decree-Law No. 89 of October 11, 1937 and by Law No. 2 of February 20, 1940;

The Council of State stipulates:

PART ONE

Real Property Subjugated To Tax

Article 1. An annual tax is established upon buildings, which in their materials of construction or the object that they affect/attain, permanently or temporarily, directly on the ground or underneath, are occupied for a valuable consideration or free of charge. In the application of this law, vacant lands, exploited or utilized, annexed to the construction or independent, enclosed or not by a wall, are included as buildings, barring those adjoining the homes of ezbehs and utilized as a threshing floor by the residents of a village.

Also included are installations erected on balconies or facades of buildings, if they are rented or are being constructed for a profit or for rental.

The tax is established upon real property assigned at birth, to the management of a public service conducted by means of concession, that were built on land belonging to the State or to its concessionaires, whether it had been stipulated or not in the contracts that those buildings are returned to the State at the expiration of the concession.

Article 2. The application of this tax is extended to cities and villages where by virtue of decrees, the Decree of March 13, 1884 has entered into effect as indicated by the annexed Table.

The Minister of Finance and of the Economy may, by decree, add new localities to that Table/List - or delete them - after having taken the advice of the Municipal or Rural Council for the localities which have such, or upon the conforming advice of the Minister of Municipal and Rural Affairs for the localities which are not yet endowed with such a council. It can, likewise, proceed to change the borders of the cities indicated in the table, after approval of the above-mentioned authorities.

PART TWO

Of Census/Recording of Buildings

Article 3. Buildings envisaged in Article 1 will be made the object of a general census at intervals of 10 years. However, the following will be recorded each year:

1. newly constructed buildings,

2. parts joined to buildings already recorded,

3. buildings transformed in whole or in part, by changing the aspect or the use and the rental value perceptibly.

4. buildings and vacant land not bordering/adjoining it where the exceptions mentioned in Article 21 cannot properly be granted.

Article 4. The officials to whom it is delegated proceed to the census of buildings in each Governorate.

Article 5. The general census takes place during the last two years of each period.

PART THREE

Declaration/Registration

Article 6. The owner or usufructuary (beneficial owner) of all property to which Article 1 applies is obliged to present to the financial section of the Governorate or of the moudirieh where the property is located his declaration within the following time-limits:

(a) If it concerns a general census/recording, the declaration will be presented during the second half of the year preceding the census, for each of the buildings of which he is the owner or usufructuary.

(b) If it concerns an annual census mentioned in Article 3, the declaration must be presented before the end of October for all changes taking place during the months of November or December, the declaration in connection with that must be presented before the end of the same year.

When the property belongs to one who is incapable, absent or immoral, the obligation of declaring it rests with his legal representative and as to wakfs, it rests with their administrator.

Article 7. The declaration indicates the city or the village, the Kism or the markaz, the street, the number of the property, the number of stories, the rooms of each, the name of the tenant, the effective rent or the method of exploitation of the premises, and the address of the declarant. The owner or the usufructuary of the property already registered by the officials of the census and evaluated, or exempted from the tax in virtue of Article 21 is not discharged of the obligation of declaring it. In case of incomplete information, the declarant will be subject to a fine equal to an entire year of tax due, or to the same where he has been unduly exempted. If the declaration contains false information, the taxpayer is liable for a fine equal to the amount of the land tax due, where he has already been unduly exempted.

If the taxpayer does not present his declaration within the prescribed time limit, he is subject to a fine equal to one-quarter of the land tax due, where he has already been unduly exempted.

Article 8. The owner or the usufructuary punished by a fine by virtue of Article 7 can appeal to the Director General of the Administration of Direct Taxes - or to the authority competently charged with the fixing and collecting of the tax - within 24 days of the date when he has been called upon to pay the fine. The decision taken by the authority concerned will be final.

Regarding buildings exempt from the tax according to Article 21 or which are definitely exempted, the competent director can exonerate them from the fine, without need of a formal appeal by the interested party.

PART FOUR

Of the Site Value and of the Rate of the Tax

Article 9. The tax is established based upon the annual rental value of the property, as determined by the committees of evaluation mentioned in Article 13. In the fixing of the rental value of the property, one must take into account all these elements, and, particularly, the rental value suitable if the contract is not thought to be made by one suspected of fictitiousness or of submissiveness (to the landlord).

Article 10. The rental value of machines and of factories is determined after the suitable annual rental for the land and the constructions, if the contract includes them and it is not suspected of ficticiousness or of compliance. Otherwise, the annual rent will be evaluated at 8% of the gross value of the land and its constructions.

Article 11. A general estimate of the annual rental value of buildings mentioned in Section 1 of Article 3 (newly constructed buildings) will take place at periods of 10 years and be revised during the last two years of each period. The annual rental value of buildings and their additions mentioned in Section 2 of Article 3 (sections added to buildings already registered) will be estimated during the last trimester of the year of their construction. The evaluation will be applicable as early as the beginning of the following year until the expiration of the period of 10 years fixed for the general registration/census.

Article 12. The rate of the tax upon buildings is fixed at:

1. 10% of the annual rental value for dwellings where the average monthly rent per room of residence does not exceed LE 3.

   Likewise, for buildings used for purposes other than residences.

2. 15% of the annual rental value for dwellings where the average monthly rent per room of residence is between LE 3 and LE 5.

3. 20% of the annual rental value for dwellings where the average monthly rent per room of residence is between LE 5 and LE 8.

4. 30% of the annual rental value for dwellings where the average monthly rent per room of residence is between LE 8 and LE 10.

5. 40% of the annual rental value for dwellings where the average monthly rent per room of residence is greater than LE 10.

In all cases, a deduction of 20% of the annual rental is allowed to cover the expenses assumed by the owner, including the expense of maintenance.

PART FIVE

Of the Setting of the Rental Value

Article 13. The rental value is estimated in each city or governorate by a committee of 4 members, of which two are officials of the State or of the Municipal Council which has the power to proceed to impose and collect the tax (one of whom shall be the president of the committee) and two members chosen from among the owners of buildings in the city, kism or village where the evaluation is made, paying a tax on buildings not less than LE 3 per year and designated by the Minister of Finance and of the Economy, or the Minister of Municipal and Rural Affairs, each within his own area of concern, or their delegates.

The owner who absents himself for three consecutive meetings without a plausible excuse will be considered to have resigned. In case of a vacancy of the seat of a property owner, regardless of the reason, the Minister of Finance and of the Economy, or his delegate, provides for his replacement for the period remaining as the conditions require. The meeting of the Estimation Committee will be valid if a quorum of three of its members are present. Its decisions are made by an absolute majority. In case of an equal division of votes, that of the President will be decisive.

Article 14. The Minister of Finance and of the Economy, or the Minister of Municipal and Rural Affairs, each within his own area of concern, or their delegates, will publish in the Official Gazette the announcement of the establishment of the list of assessments. Copies will be posted at the door of the governorate or of the moudirieh and at doors of the Kisms of police, of the markez and of the mamouri hs of finances in the jurisdiction in which the property is located. Immediately after the publication in the Official Gazette, the tax may be demanded. Each taxpayer will be informed, at the address indicated in his declaration mentioned in Article 7, thus of the total amount of the tax fixed upon him. The period between the publication and the notification of the taxpayer must not exceed three months.

The above shall conform to the conditions and formalities that shall be issued by the Minister of Finance and the Economy in the regulation executing the present law.

Article 15. The taxpayer and the Government are equally able to appeal against the decision of the Committee of Estimation before the councils of review mentioned in Article 16, within six months of the publication in the Official Gazette of the announcement of the establishment of the assessment list. The appeal ought to be considered/justified. (have merit).

The appeal instituted by the taxpayer is accompanied by a guarantee deposit equal to 5% of the tax amount being litigated, but not less than 50 piasters, or more than LE 20, all fractions being rounded off and carried to the nearest half-pound. Lack of this deposit will forfeit the right of appeal of the taxpayer. If the council of review does not reduce the rental value imposed, the guarantee amount will not be returned.

In case of appeal, the tax payable after the modification is paid within the time limit allowed, until an alternative is decided by Council of review.

Article 16. A council of review will be instituted in each moudirieh or governorate. It will be composed of three officials of the State or of the Municipal Council which has the power to proceed to the imposition and collection of the tax, designated by the Minister of Finances and of the Economy or by the Minister of Municipal and Rural Affairs, each within his own area of concern, or by their delegates, and three property owners of the city or village where the property subject to appeal is found. These persons are designated by the Minister of Finance and of the Economy or the Minister of Municipal and Rural Affairs, each within his own area of concern, or by their delegates, for a period of two years. The presidency is taken by one of the officials.

The owner who is absent for three consecutive meetings without a plausible excuse will be considered to have resigned. In case of a vacancy of the seat of a property owner, regardless of the reason, the Minister of Finance and of the Economy, or his delegate, will supply his replacement for the period remaining, by another landowner filling the conditions above. Each member of the commi of evaluation may not be a member of a council of review.

In case of the vacancy in a seat of one of the property owners for whatever reason, the Minister of Finance and of the Economy, or

the Minister of Municipal and Rural Affairs, each within his own area of concern, or their delegates, can fill that vacancy for the remainder of the period, with a landowner fulfilling the conditions provided in the first paragraph of this Article.

Article 17. The council of review sits at the governorate or at the chief place of the markaz, except the case where its president decides to convoke it at the markaz in the jurisdiction in which the litigated goods are located.

Article 18. The meeting of the council of review will be valid if 4 of its members are present. Its decisions are approved by an absolute majority. In case of an equal division of votes, that of the President will be decisive.

Article 19. In the absence of a decision of the council of review within 6 months of the introduction of the appeal, the taxpayer will be allowed to pay the tax according to the old base before all modification, until an intervening decision.

Article 20. The decisions of the council of review are final.

PART SIX

Exemptions

Article 21. The following are exempted from the tax:

a) Property belonging to the State.

b) Property belonging to provincial councils, to municipal councils, or to villages, or premises, assigned to their bureaus or to a public service free of charge or for consideration, such as the enterprises of electricity, of gas and of water, drains/sewers, public assistance, fire pumps, slaughterhouses, public lavatories (w.c.) and baths, etc.

c) buildings allocated for the carrying out of religious obligations, such as mosques, churches, convents, temples, schools of the teaching of religion, belonging to religious communities, to charitable authorities or associations or used for social or scientific activities, that are available free of charge or thanks to contributions.

Likewise for buildings belonging to charitable authorities or associations, or allocated to social or scientific works, buildings of sports clubs registered according to the law, when the buildings in question are loaned/given for the exercise of charitable activities, of social activities, sports or scientific activities according to the specific case, and which were not established for the purpose of investment. On the contrary, those buildings for which the revenue returns to wagfs, to religious communities or to authorities, associations and sports clubs are not exempt from the tax.

d) Hospitals, dispensaries and asylums, such as works belonging to charitable or social associations, which accept all the sick and refugees without discrimination of religion or of nationality, and are not carrying a profitable purpose.

To enjoy this exemption, these associations must have been registered according to the law and not charge the sick and refugees any fee, barring approval of such fees by the administrative authorities designated by the Minister, to be fixed with their concurrence. 1/

1/ The hospitals, dispensaries, asylums and works belonging to charitable or social associations are exempt from payment of back taxes due, until the date that this law takes effect. They also have the right to recoup taxes already paid.

Article 19 of Law No. 56 of 1954 is revoked. (Law No. 294 of December 1, 1960).

e) Premises of embassies, legations and consulates belonging to foreign states, and premises belonging to foreign governmental authorities.

f) properties where the net rental value is not above LE 18 per year, provided that the rental value of the group of buildings belonging to the taxpayer or where he is usufractuary does not exceed that total.

g) Properties assigned to adjoining agricultural lands, such as installations, without rent, intended for their irrigation.

h) The buildings of ezbehs constructed on agricultural land, occupied free of charge by farmers or workers in the service of their owners, or destined to their harvest or livestock, provided that the estimate of the rent of each building does not exceed LE18 per year.

i) The shelters and constructions situated around cemeteries, if they are not occupied in a permanent fashion (are without furniture).

PART SEVEN

Of Abatement of the Tax

Article 22. The tax will be abated:

a) If the property becomes exempt from tax by the application of Article 21.

b) If the building becomes vacant, totally or partially, and no longer contains inhabitants, for at least three months, having neither tenants nor furnishings, and no profit for all the space is taken during this period.

c) If it is demolished or destroyed, in totality or in part, until its utilization is rendered totally or partially impossible.

d) If it is vacant land, independent of buildings, having ceased to be exploited or used.

The tax will be abated on a property or the part of the property to which one of the above paragraph applies.

Article 23. The abatement will not be allowed, in the cases mentioned in Article 22, at the demand of the interested party, from the start of his presentation and until the end of the cause of the clearance. The demand will be examined so that it is accompanied by a receipt of the last term payable of the tax to the moment of its presentation. Lack of decision within six months will not suspend the payment of the terms accruing.

By exception to the preceding, the tax is reduced in the case mentioned in Article 22 (c), at the demand of the interested party, or upon the judgment of the public official responsible who has assured himself of the accuracy of the demand, or after a visit to the places by the census committee or the estimation committee; and that without taking into consideration the payment of installments.

Article 24. a) A taxpayer who is the owner of a building where the net rental value is not greater than LE 18 per year and at the same time is the owner in whole or in part, of another building, or more than one building, situated in the same city or region, or in another city or region of the Arab Republic of Egypt, when the total of the net rental value of all those buildings he possesses

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is greater than LE 18 per year, must present to the tax collectors or sarrafs who have jurisdiction where the properties are located a declaration, obtained free of charge, in which he indicates the properties that he possesses in each village or locality, thus the annual net rental value of each building, and the total of all of the rental values.

The Minister of Finance and of the Economy will decree the formalities and conditions to be observed by the presentation of these declarations.

b) If the reasons for exemption from tax of all buildings disappears, the interested party shall present to the moudirieh, to the governorate or to the municipal council, depending on the circumstances, a declaration of property, by registered letter with notice of receipt, within two months of the disappearance of these reasons, so that it may proceed to a new tax assessment at the beginning of the following year.

c) The taxpayer who delays the presentation of the declaration mentioned in Article 24 (a) or of the declaration of property mentioned in Article 24 (b) or who inserts inexact information leading to an exemption from taxes by error is obliged to be deprived of the benefits of the present law for a period of five years. The director or administrator of the financial section in the jurisdiction where the building is located or the director of the municipality in cities and municipal councils have the power to proceed with the imposition and collection of the tax.

There is imposed on him a fine equal to an entire year of tax payable.

Moreover, if the exemption has effectively taken place, the taxpayer must repay all of the sums which he has unduly been relieved of paying, which were due during that period. He can appeal against the decision imposing the fine upon him to the Minister of Finance and of the Economy, or to the Minister of Municipal and Rural Affairs, each with regard to his area of concern, or to their delegates, within 24 days of his notification of the fine. The decision by the Minister is final and not susceptible to appeal before any judicial authority.

The taxpayer can be exempted from the fine by the authority that imposed it upon him, if at its own pleasure and after the accuracy of his declarations is discovered, he presents a declaration of omission, or a declaration of the property which corrects the information furnished by him earlier.

PART EIGHT

Of Collection

Article 25. The tax is payable in advance, in two equal terms demanded within the first 15 days of the months of January and July of each year. The payment will be made to the tax collector's office in the jurisdiction where the property is located, to be determined by decree of the Minister of Finance and of the Economy. Failure to pay the tax and the fine to the bureau of tax collection designated for that purpose, within the prescribed fine period, can lead to recovery of such monies by pursuance of the means of administrative procedure.

Article 26. Tenants are responsible jointly with the owners for the payment of the tax and of the fine, provided for by the present law, up to the amount of the rent encumbering them, after having been notified

by registered letter with notice of receipt, without the need for judicial formalities. The receipt for collection of the tax and of its accessories which will be given to them is equivalent to a receipt of rental payments owed to the owners.

The advance payment of more than three months of rents does not discharge the tenants of their joint responsibility with the owners for the payment of the tax due. That payment must be recorded by a receipt having been received at a certain date before the date that the tax is due. The owner of land will be responsible jointly with the owner of buildings to pay the tax.

Article 27. The State and the municipal councils having the power to proceed to impose and collect the tax have a privileged right to rents and other revenues of the building and of its exploited vacant lands, burdened by the tax; likewise as to buildings and lands upon which they are constructed, or which adjoin them whether those belong or not to that owners of the buildings.

PART NINE

Transitional and Final Sections

Article 28. The actual tax, fixed at the promulgation of this law, will be maintained as such until the end of 1959, and the tax fixed subsequently to this promulgation will be done according to the annual census and within the limits of the present law.

Article 29. The Decree of March 13, 1884 is revoked, as well as all other provisions contrary to the present law.

Article 30. The Minister of Finance and of the Economy and the Minister of Interior are charged with the execution of this law. The Minister of Finance and of the Economy issues the regulations and decrees necessary to the execution of this law, which will be in force starting January 1, 1954.

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BETTERMENT TAX
(Law No. 222 of 1955)

After reviewing Law No. 66 of February 9, 1955 reorganizing the Municipal Councils; Law No. 145 of August 25, 1949 concerning the authority of the Minicipality of Cairo; Law No. 98 of July 27, 1950 concerning the authority of the Municipality of Alexandria; Law No. 148 of August 31, 1950 concerning the authority of the Municipality of Port Said; Law No. 496 of September 23, 1954 concerning the authority of the Municipality of Ras El Bar; and Law No. 577 of November 4, 1954 concerning expropriation for public purposes;

The Council of State stipulates:

Article 1. In cities and villages having a municipal council, a charge shall be established on buildings and their lands which are benefited by an increase in value as a result of the execution of a public improvement.

Each Municipal Council proceeds within its jurisdiction to the collection of this charge. It constitutes one of its financial resources.

Article 2. The following are considered public improvements under this law:

1) the construction, widening or straightening of public thoroughfares and public squares;

2) sewerage/drainage projects;

3) the construction of bridges, grade crossings or subways/underground passages or their improvement.

Other public improvements can be added to this list by decision of the Council of Ministers, who must, however, define the areas benefited by an improvements as a result of these works.

Article 3. The areas benefited by an increase in value as a result of the works mentioned in Article 2 are thus defined:

1) for the construction, widening or straightening of public thoroughfares and public squares: by the real property situated to the periphery of the parallel alignments to the limits of the road or the square and which are at a distance of more than 150 meters.

2) for sewerage/drainage projects:

   a) by the real property directly joined to the road possessing the drainage network;

   b) by the real property which is on a route not possessing a branch of the drainage network, when the distance between this real property and the new public works connection does not exceed 100 meters.

3) for the construction or improvement of bridges and of grade crossings or subways/underground passages: by the real property situated on the inside of the area limited by 2 parallel lines to the axis of the bridge, or to the sea level or underground passage, at a distance not greater than 300 meters from the axis, and bounded also by two parallel lines to the two extremities of the bridge, or to the sea level or underground passage, at a distance not greater than 300 meters from these extremities.

The demarcation of areas where real property is benefited from an increase in value is made with the agreement between the Ministry of Municipal and Rural Affairs and the Ministry or administration concerned.

Article 4. Immediately after the beginning of the operations, the agency which carries out the public improvement mentioned in Article 2, transmits to the Ministry of Municipal and Rural Affairs the particulars on the subject of the enterprise, of the stages of its execution and a preliminary estimate of costs, accompanying the requisite plans.

For each public improvement which results in an increase in value, a Decree of the Minister of Municipal and Rural Affairs will show the gestation period and the date from which the possession (use) will begin. A plan is attached, specifying the area benefited by the increase in value. The decree, published in the Official Gazette, is posted to the board of legal announcements at the office of the Municipal Council, at the post of police or the home of the mayor, where the real property is located.

Article 5. The Administration of land surveying executes all of the technical or cadastral operations with an eye to taking a census of the real properties of the area marked in the decree mentioned in Article 4.

Article 6. The valuation/estimation of real property included in the area benefited by an increase in value is established before and after the works, by a committee composed of:

1) the director of the works, delegated by the regional administrator of the Ministry of Municipal and Rural Affairs, where the real property is located, (as) President;

2) the engineer who presides over the tanzim section of the Municipal Council, or his delegate;

3) a member of the Municipal Council designated by its President from among the other members by virtue of their functions.

4) a delegate of the Land Registration Section.

The delegate of the regional office of the Ministry of Municipal and Rural Affairs can be replaced, in Cairo, Alexandria and Port Said, by an engineer of the Department of Engineers, designated by the director of the Municipal Commission, and in the other governorates, he can be replaced by an engineer designated by the Minister of Municipal and Rural Affairs.

Persons may not be members of the estimation committee who possess, or whose spouse, parent or relative to the fourth degree possesses, an interest in the estimate, or is an agent, guardian or administrator of those who possess such an interest.

The committee fixes the value of the real property by taking into consideration the purchase price and improvements and modifications made to the property so that it reflects the normal price of transactions intervening to the date of the estimate and is comparable to real property of the same nature nearby to the area improved. The estimation/evaluation committee renders its decision within two months after receiving the documents. It communicates its decision to the Municipal Council, for its approval within fifteen days. If the Council does not approve it, it returns the estimate to the committee with the reasons for its approval. The committee reexamines the question and makes a new pronouncement within 15 days of the return of the documents.

The Municipal Council transmits to the interested parties the decisions of the committee that it has approved and those that have been returned.

Article 7. An appeal is permitted to the decisions of the Committee, within thirty days of their announcement. The person appealing must pay a fee equal to a percentage of the sum total contested as increase in value, a fee that is not less than LE1 or more than LE 20, and a receipt for which is attached to the writ of appeal. That fee is returned to the appealing party, in all or part, depending on the judgment regarding the appeal.

Article 8. Appeals are decided in each governorate by a committee composed of:

1) the president or vice president of the court of first instance which has jurisdiction over the real property;

2) the regional administrator of the Ministry of Municipal and Rural Affairs;

3) an inspector from the Land Registration section, or his replacement/substitute.

4) a financial inspector, or his replacement/delegate.

5) two members of the Municipal Council designated by its President from among the other members by virtue of their functions.

The regional administrator of the Ministry of Municipal and Rural Affairs can be replaced, in Cairo, Alexandria and Port Said, bu the President of the Municipal Council or his delegate; and in the other Governorates, he is replaced by an engineer designated by the Minister of Municipal and Rural Affairs. In all the Governorates, the chief of the Finance Section or his delegate replaces the financial inspector.

Persons may not be members of the Appeals Committee who possess,or their spouse, parent or relative to the fourth degree possesses, an interest in the estimation - nor is an agent, guardian or administrator of one who possesses such an interest. Nor either one who participates in the work of the Estimation Committee.

The Committee gives rulings regarding the appeal in the month of its receipt. Its decision is final.

Article 9. The date of the meeting is announced to the plaintiff by registered letter with notice of receipt, 8 days or less in advance. The plaintiff appears in person or by counsel. His defense is presented in writing. The committee gives all interested parties an opportunity to express their case. Its decision is based upon specific reasons.

Article 10. The amount of the increase in value is equal to one-half of the difference between the values of the real property set by the committee, before and after the improvement.

Article 11. Within 60 days of the notification of the definite estimation of the value of the real property, the owner must choose one of the following methods for payment of the indemnity for increase in value:

1) payment in cash,

2) payment in ten equal yearly installments, becoming due in case of the transfer of the property,

3) payment in kind, in total or in part, if it relates to vacant land, according to the appearance and conditions that are determined by the order of execution.

Article 12. If the owner does not decide within the time prescribed for one of the above-mentioned methods of payment, the betterment fee is demanded as follows:

1) In case of construction built on vacant land, or the elevation or modification of an existing building, made to recover an

increase in income: the betterment fee is demanded in not more than 5 equal yearly installments, with the first one at the time of the obtaining of permission for construction, raising or modification.

2) In case of transfer of the property by means of inheritance, the increase in value (betterment) is demanded in not more than five equal yearly installments, of which the first is due one year after the decrease of the previous owner.

The Administration of Taxes shall only deliver a certificate of discharge of the taxes due on the property which is part of the jurisdiction of the Municipal Council after the interested parties have produced a certificate from the latter which confirms the payment of the fee.

3) In case of transfer of property, the payment for the increase in value is equal to one-half of the difference between the evaluation of the committee before and after the increase in value, according to Article 9. However, if the price is greater than the evaluation of the committee after the increase in value, the payment will be equal to one-half of the difference between the evaluation of the committee before the improvement and that price. If the disposal is only partial, the increase in value demanded is proportional to the relation between that part and the whole of the property.

Article 13. In all cases, the Municipal Council recovers the betterment tax with the deduction of all sums which were owed to the interested parties due to compensation for expropriation for a public purpose or to improvements.

Article 14. If it appears that the real property is to be sold at a price less than its real price, to the end of escaping the payment of the increase in value as a result of the improvements, the Municipal Council submits the matter to the Committee mentioned in Article 6, after appraising the genuineness of the price or the estimate of the real value of the property. The procedure fixed in Articles 6, 7 and 8 is then followed.

Article 15. The betterment tax is a lien upon the property and comes only after the court costs and taxes. Its collection can take place, in case of need, by means of administrative procedure.

Article 16. Each transfer of real property situated within the jurisdiction district of the Municipal Council shall not be recorded until after verification that it does not fit within the area of projected improvements, having been made the object of decrees according to Article 4 - or until after the production by the interested party of a certificate of the Municipal Council approving that registration.

Article 17. The authority in charge of public utility works shall refuse to grant a permit for construction of buildings and installations, their elevation or modification, so long as the interested party does not pay the betterment tax on improvements or make his annual payments toward paying that tax.

Article 18. The delegates of the Administration of Land Surveying and of the Municipal Councils, likewise the members of the committees mentioned in the present law, have the right of access to the area improvements, in order to execute the technical and cadastral operations, or to obtain the particulars concerning them, after previous notice to the interested parties by registered letter.

Article 19. Article 45 of Law No. 66 of February 9, 1955 is repealed, thusly also all provisions contrary to the present law.

Article 20. The present law takes effect starting from January 1, 1955. The Minister of Municipal and Rural Affairs shall make the decrees necessary for its execution.

PLANNING AND ZONING

PROPOSED PLANNING LAW

In the name of the People
The President of the Republic

After reviewing the Constitution,
and the Criminal Law (Penal Code)
and the Civil Code
and the law of Criminal Proceedings
and Law No. 52 of 1940 regarding subdivision of lands to be prepared for building;
and Law No. 28 of 1949 concerning specifications for industrial zones in cities and their suburbs;
and Law No. 206 of 1951 regarding public housing;
and Law No. 453 of 1954 concerning industrial and commercial shops, other dangerous uses and uses that cause unease among residents;
and Law No. 577 of 1954 concerning the expropriation of real property either for public purposes or for improvement;
and Law No. 308 of 1955 regarding administrative sanctions (seizure);
and Law No. 21 of 1958 for organizing and encouraging industry;
and Law No. 45 for organizing building and Law No. 93 , both of 1962, the latter regarding sewerage;
and Law No. 29 of 1966 regarding buildings and construction completed in violation of the provisions of the laws regarding building standards and construction or of the laws regarding subdivision standards or those organizing and directing the destruction and removal of buildings;
and Law No. 53 of 1966 issuing laws regarding agriculture;
and Law No. 84 of 1968 concerning public ways (roads);
and Law No. 1 of 1973 concerning hotel and tourist installations;
and Law No. 2 of 1973 regarding the supervision of the Ministry of Tourism over the construction and use of tourist areas;
and Law No. 66 of 1974 regarding the Engineering Syndicate (Union);
and Law No. 52 of 1975 regarding Local Government and Local Administration;
and Presidential Decree No. 891 of 1973 establishing the body for the building and development of the Egyptian village;
and Presidential Decree No. 1093 of 1973 establishing the General Organization for Physical Planning;

and the approval of the Cabinet
and the decision of the State Council

decides to present the following bill to the People's Assembly

Article 1. The organization and direction of building construction in cities and villages shall be according to the provisions of this law. Its provisions are also applicable to other areas as defined by decision of the Minister of Housing and Reconstruction, after agreement by the Minister for Local Administration.

Article 2. The provisions of the attached law are applicable to subdivision permit applications not yet approved at the time of enactment of the law.

Article 3. Without contravening the provisions of Article 21 of this law, the general or private stipulations and obligations imposed on subdivisions approved by a decree or decision given under the provisions of Law No. 52 of 1940 remain valid.

It is permitted through a decree of the Minister of Housing and Reconstruction, at the request of the Local Council responsible, to apply all or some of the provisions of this law to subdivisions that

were previously exempted from the provisions of Law No. 52 of 1940, as referred to in Articles 23 and 24 of that law. Such action is not a violation of the rights of those persons who received approval for some of these subdivisions or plots comprising part of such subdivision through fixed date contracts before this law took effect, and those who have constructed buildings on such subdivisions.

Article 4. Law No. 52 of 1940 and Law No. 28 of 1949 referred to above are hereby rescinded and declared null and void, and Part Two of Law No. 206 of 1951 referred to is also rescinded, and also other provisions that contradict provisions of this law.

Article 5. This law is to be published in the official Gazette and will be effective from that date. The Minister of Housing and Reconstruction shall issue all regulations necessary for its implementation.

Part One

City and Village Planning

Article 1. Local Councils of the Municipalities, in conjunction with the General Organization for Physical Planning, shall prepare master plans for cities and villages, provided that such plans must consider the position of the city or village in relation to its Governorate and surrounding provinces, the requirements of approved provincial plans, and other factors as stated in the regulations.

These plans should also consider the building boundary expected by the extension of the city or village according to factors stated in the regulations.

The Minister of Housing and Reconstruction defines, in agreement with the Minister for Local Administration, the priorities for preparing such master plans for cities or villages.

Article 2. Immediately after its preparation, the master plan of the city or village should be publicly announced and placed in the headquarters of the Local Council for sixty (60) days so that the citizens can express their opinions and observations about it. After this period the plan will be presented to the Local Government, together with these observations and opinions and the views of the General organization for Physical Planning regarding its adoption.

The Local Council shall inform the Governor of its decision regarding adoption so that he can present the plan to the Governorate Council to make a decision regarding it. It is then sent to the Minister of Housing and Reconstruction for ratification. Attached to the description of the plan is a report of observations and views expressed about the plan and the views of the Governor. If the Minister approves the plan it shall be returned to the Local Council, together with recommendations for its improvement. The Local Council, in conjunction with the General Organization for Physical Planning, shall then change and prepare the plan within the period defined by the Minister. The Minister may then ratify the plan and issue it in its improved form.

Article 3. The Local Council, in collaboration with the General Organization for Physical Planning, shall revise the master plan of the city or village at least every five years to ensure its suitability to the economic, social and building development conditions and present the result of its review to the Minister of Housing and Reconstruction. If the master plan must be modified for any reason, then the stated procedures for preparing the original master plan and for its ratification shall be followed.

Article 4. The Local Government concerned, in collaboration with the General Organization for Physical Planning, shall do the following:

a. prepare planning projects for the areas that comprise the area covered by the master plan of the city or village and define the uses of lands within the area of that project.

b. set forth the rules and regulations that shall be followed to control construction in the areas covered by the master plan or of specific areas within that boundary.

Without deviating from the above-mentioned rules, ratification and approval of these projects, rules and conditions or their modification may be made by a decision of the Governor, after approval by the Governorate Council.

Article 5. Without deviating from the provisions of the above-mentioned articles, the Local Council shall prepare detailed planning projects for specific areas within the urban boundaries of the city and village. This detailed planning should be followed in subdividing the area. This project should include the urban needs, subdivision conditions and building conditions that should be followed. It must be approved by a decision of the Governor, after receiving the approval of the Local Council of the Governorate.

Article 6. As an exception from the previous provisions, it is possible for a Commission to be established by a Presidential decree to plan one or many cities. This decree should specify its authority, duties and the manner in which its proceedings will be conducted and approved.

Part Two

Land Subdivisions

Article 7. In applying the provisions of this law, the term "subdivision" shall mean the division of any plot within urban boundaries or the boundaries of a village into two or more parts, or the building of more than one building upon one plot, whether or not these buildings are connected.

Article 8. The Minister of Housing and Reconstruction, acting upon a recommendation of the Local Council and by considerations imposed by the public interest, may delineate specific districts or areas within the towns or villages.

In such areas it is not permitted to subdivide land for purposes of development, except through the Local Council, a legal public authority, or through one of the economic organizations associated with the public sector on the condition that procedures for subdivision would not be allowed to take place until after the expropriation of lands subject to the subdivision.

Article 9. It is not permitted to implement a subdivision of land or to modify or improve an approved subdivision or an existing subdivision, except after it is approved according to the conditions provided in this law and its implementing acts.

Article 10. The detailed regulations of this law shall limit and specify the conditions and situations that should be considered in land subdivision, and define or specify the percentage of the area that should be kept free of buildings and reconstruction for public uses and utilities, provided that the percentage of the area for these uses should not exceed fifty (50) percent of the total subdivided area.

Article 11. The application for approval of subdivisions shall be submitted by the owner or his legal representative to the administrative department in charge of planning and organization in the local Municipality. The application should be supported by the documents, designs and data as required by regulation.

The designs or any modifications or improvements in them should be signed by a syndicate (union) engineer/architect, according to the rules issued by a decree of the Minister of Housing and Reconstruction, after consulting with the Engineering Syndicate Board. These rules shall state the conditions and stipulations that shall be available to such engineer/architect, relating to the size and importance of the subdivisions that must be approved and a list of particular kinds of partition levels that are designable only by consultant engineers.

Article 12. The administrative body in charge of planning and organization in the local Municipality must examine the application from the technical point of view and see that it conforms with the law, the general master plan of the town or village, the detailed plan for the particular area and the requirements of development. The body must submit the application to the Local Council for approval within four (4) months of the date of submission of the application, accompanied by the necessary documents so that the Local Council may make a decision within two (2) months of the date that the application is submitted to it.

If the above-mentioned administrative department wishes to introduce modifications or corrections in the designs, or to inventory the conditions, or the presented documents are incomplete, or it wishes to reject the project, then it should inform the applicant of that decision in a registered letter accompanied by a cover letter within three (3) months from the date of presentation of the application. Provided that the subdivision project will be submitted to the Local Council within two (2) months of the date of the submission of the modified designs or documents necessary to complete the application.

If the above-mentioned department did not express its opinion and reasons for rejecting the subdivision project or that it should be modified or documents were incomplete, then it must present the project to the Local Council to be decided upon within two (2) months of its presentation.

The period for decision referred to can be shortened for specific cases spelled out in the regulations.

Article 13. A decree from the Governor is issued approving the subdivision with a statement of conditions within one month of his being notified of the decision of the Local Council. As a result of that decree, areas allotted for public ways, squares, parks and other utilities and public services become part of the public domain. The subdivider has

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the right to benefit temporarily and freely from such allotted lands for the purposes mentioned until they are prepared for that purpose as provided in the subdivision decree. Provided that he does not change these uses or set up any installations or construction without the approval of the administrative department in charge of planning and organization in the local Municipality.

Article 14. If the subdivision is to be made for purposes other than building and development, or does not include of other modernized roads, it is sufficient for approval to be only by the administrative department in charge of planning and organization in the local Municipality so long as conditions and requirements defined in the regulations are met. Such approval must be made within thirty (30) days of the presentation of the application. If that period lapses without a reply from that department, then the application is considered as approved.

Article 15. Based upon considerations relating to the extension of development of towns or villages, or the capacity of general services or public utilities in them, or for the maintenance and preservation of the land, the Local Council may define the stages of development within a development area provided that no subdivisions are approved unless they are in accordance with that staged plan. The areas included in the stages shall be identified and also the rules for proceeding from one stage to the next. A decree by the Minister of Housing and Reconstruction shall be issued for this purpose. It is also permissible, for the above-mentioned considerations, and by a decree of the Governor, after receiving the approval of the Local Council, to define areas within the development areas of the towns and villages where it is prohibited to approve or carry out subdivisions for a limited period. If the prohibition was ordered because of the lack of capacity of public utilities in the area, it is possible and permissible to take off the prohibition if the developer/subdivider is committed to providing the utilities required himself, during a period defined by the administrative department in charge of planning and organization in the Local Municipality, and according to restrictions defined by that body.

Article 16. It is permissible for the Local Council, with reference to requirements for coordination of construction, to approve a subdivision project that includes some adjacent lands to those of the owner requesting approval. In such cases, it may impose upon the owners of such lands the responsibility of executing such subdivision requirements within a stated period of time. If they refuse or the time passes without the beginning of the execution of such works, then the Muncipality may expropriate such lands according to article 32 of this law. The Local Council/Municipality is then in charge of carrying out the project either itself, or through a public corporation or an economic unit affiliated with the public sector.

If the refusal to participate comes from some of the landowners but not all of them, then expropriation proceeds only with regard to those who refused to participate. In this case, the execution of the subdivision is done by the local Municipality and by those who accept the project, according to the agreement.

Article 17. The Governor, after getting the approval of the Local Municipal Council, may issue a decree to halt consideration of applications for subdivision approval for lands that are located in a town or city, or in areas or districts thereof, which are affected by current planning projects according to articles 1, 2, 4, 5 of this

law. Such a stoppage may occur for a maximum of two (2) years from the date of the publication of the decree in the official Gazette. Consideration of subdivision applications will begin again immediately after the approval of the planning projects referred to above.

A Governor may issue a decree extending the stoppage of consideration of such applications for up to a total of four (4) years, after getting the approval of the Local Council.

Article 18. The subdivider is required to execute the public utilities necessary for the lands to be subdivided or to pay the costs of providing them to the local Municipality/Council. The procedures for this will be set out in regulations, including necessary conditions.

With regard to such development, it is possible and permissible that division or plotting of land be divided into halves and that the decree ratifying the subdivision these halves and the priority for their execution. It may also include a program that fixes the time during which the subdivider is committed to execute and provide the various types of public utilities. To the extent that the subdivider does or does not execute the above-mentioned works according to the program or does not pay the costs during that time, the Local Council may execute such works to the account of the subdivider and charge him the costs that the Council has spent together with ten (10) percent of the total sum of such works (as an administrative fee). However, if the subdivider refrains from carrying out all or a part of the work of subdividing, then he is required to execute and provide public utilities or pay the costs of establishing them only according to his new modified position, provided that the rights of other buyers or others who are constructing buildings are not affected. Cancellation or modification of the above shall be approved through a decree of the Governor , after receiving the approval of the Local Council.

Article 19. It is prohibited for the subdivider himself or for some other person to make an announcement regarding the subdivision project or to deal with any of its lands or any part thereof, except after placing a ratified copy of the decree that approves the subdivision in the Land Registration office, enclosing with it a certificate from the administrative department in charge of planning and organization that states that the public utilities required have been fully provided according to the decree ratifying the subdivision and the regulations of this law, or that the expenses of executing such works (the above-mentioned public utilities) or the offering of a Bank guarantee regarding the expenses of executing such works have been made.

However, in case of a subdivision according to the provisions of article 14 of this Law, it is sufficient to present a ratified copy of the approval of the subdivision to the Land Registration office.

Article 20. The decree ratifying the subdivision and a statement of its conditions should be included in all contracts dealing with lands of the subdivision. The contract should state that these conditions shall apply to all buyers and their successors, heirs and assigns. If this clause is not put into the contract, then it becomes null and void if the one who contracted with the subdivider wishes its nullification. The conditions referred to are considered as part of the decree of ratification of the subdivision and is subject to the provisions of this law. These conditions are also considered as positive and negative rights which the buyers or the local municipality or the subdivider can assert with regard to each other.

Article 21. It is prohibited to construct buildings or to execute construction on plots subject to subdivision or to provide building permits for building upon them except after fulfilling all of the conditions of the previous articles of this law, and after the subdivider has provided the public utilities, or if six (6) months have lapsed since the payment of the costs of providing such utilities to the administrative department in charge of planning and organization in the local Municipality and this department should have started the execution of these public utilities during that period so that the obligation of the subdivider is considered as fulfilled.

Article 22. Without contravening the provisions of article 31 of this law, it is permissible through a decree of the Minister of Housing and Reconstruction, after getting the approval of the Local Council, to modify the conditions regarding approved subdivisions, before the preparation of planning projects mentioned in articles 1, 4 and 5 of this law, so that they correspond to the requirements of such planning projects.

Part Three

Industrial Areas/Zones

Article 23. In applying the provisions of this law, "industrial areas" are defined as areas allocated for factories, laboratories, workshops, storehouses, stables and other shops that are noxious to the citizenry, dangerous, and considered as bad for health and are prohibited in the public interest in other parts of the city for the sake of public health, and to avoid the resulting annoyances, injuries, dangers and traffic problems.

A statement regarding the above will be issued in a decree by the Minister of Housing and Reconstruction, in agreement with the departments defined in the regulation of this law. This decree shall list the kinds and types of industries and shops, their various levels, and development conditions required for each type and level.

The Minister of Housing and Reconstruction, in agreement with the departments defined in the regulations to this law, may modify the standards and levels that define the types of industries and shops, whether by addition or omission or by transfer from one level to another, and he can modify the development restrictions stated for each type.

Article 24. Development planning shall define the industrial areas within the boundaries of the towns and villages. Where such development planning is absent, the Local Council, in collaboration with the General Organization for Physical Planning, defines such areas, after consultation with the departments defined in the regulation to this law. A decree is issued by the Minister for Local Administration, after consulting with the Ministers of Housing and Reconstruction, Industry and Manpower. It is prohibited to establish such industries in areas other than those referred to in the previous article.

Article 25. The Local Council, in collaboration with the General Organization for Physical Planning, prepares and plans projects for the industrial areas. These projects can define locations for the kinds and standards of industries and the various types of shops. These

project plans should also indicate the installations and buildings unallocated for industry, in which areas it is prohibited to establish other types of uses, and also indicate the restrictions that shall be considered in each type of area.

The Governor shall issue a decree approving these projects after getting the approval of the Governorate Council.

The regulations for this law will indicate the conditions for subdividing such areas and the obligations of the subdivider in this respect.

Article 26. It is permissible to expropriate real property included in industrial areas, as defined by the provisions of this law, for the public interest and for use as industry and its attendant utilities/uses.

The statement of public interest is made at the request of the Minister of Housing and Reconstruction. The department that requests the expropriation has the right to dispose of the real property that has been expropriated, or to lease them, or to license them to use them for the purposes of industry and its utilities.

Article 27. Considering the provisions of the law of expropriation of real property for the public interest or its improvement, the estimation of the value of the real property expropriated according to the previous article excludes any increase in its value as a result of the issuing of the act that defines the industrial area in accordance with the provisions of this law, if the expropriation is made within five (5) years of the date such act takes effect.

Real property expropriated during the following five (5) years shall have its value (the damages) estimated as of the end of the first five year period, and so on.

Article 28. Considering the provisions of article 24, it is prohibited in the towns and villages that are subject to the provisions of this law to introduce any changes in the type of use (shops) either in the establishment or direction during the time that the law is being put into effect outside the boundaries of the industrial areas, whether such change will modify the quality of the operation or increase the moving power or productive capacity of these shops/factories.

The Governor shall issue a decree defining the date that this prohibition takes effect, after ratifying the plan of the area according to Article 25 and after providing these areas with the necessary public utilities. It is permissible by a decree of the Governor, after agreement of the department in charge in the Ministry of Industry, to exempt some factories from this prohibition for specific and defined periods, if these factories are necessary to respond to certain emergencies.

The referred-to prohibition is not applicable to construction performed with the intention of improving the quality of production or raising the standard of health, provided that the department in charge in the Ministry of Industry must approve such construction.

Article 29. It is not permitted to give a permit to establish an installation in the industrial areas that are defined according to the provisions of this law except after getting the approval of the administrative department in charge of planning and organization in the local municipality and according to the conditions and circumstances indicated in the regulations.

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Part Four

General Rules

Article 30. The following provisions and the circumstances and situations stated for the approved projects of general planning (master plan) and its detailed plans must be followed for building construction or subdivision of land in the areas included within the boundaries of the towns and villages and other areas that are subject to the provisions of this law and its regulations:

The applicant for a building, industrial or subdivision permit in the referred-to areas as stated in the previous clause can obtain in advance of getting a building permit for such construction, the approval of the administrative department in charge of planning and organization in the local Municipality concerned. This approval would be sought regarding the suitability of the site from a planning point of view for the type of construction that he wants to build. In addition, he can ask for or apply for details and conditions required to build on the site according to the regulations of this law.

Article 31. Real property necessary for projects of reconstruction and development planning may be expropriated after stating the quality of the public use upon the request of the Minister of Housing and Reconstruction, and the department charged with execution of the project as pointed out in the application. The provisions of the Law regulating the expropriation of real property must be followed in these cases.

As an exception from the provisions of the law referred-to, it is permissible that all or some of the compensation be paid in land or buildings prepared by the department in charge of executing the project for this purpose. The Minister of Housing and Reconstruction must issue a decree setting forth the rules governing such cases.

Article 32. The Local Council of the Governorate shall issue a decree/resolution that sets the fees that should be paid for receiving approval of the site from planning standards, and for giving the data, conditions and restrictions necessary for applications for building, construction or subdivision approval and their examination and approval. These fees shall not exceed the following limits:

a. Five pounds (LE 5) for the application for planning approval for the site or for the application containing the data and conditions required for project preparation for approval of a building or construction permit or approval of a subdivision.

b. Ten milliards of a pound (or one piaster) per square meter of the area of the subdivision for examination and approval of a subdivision application for the purposes of building where there are no public roads. These fees must be a minimum of one pound (LE 1).

c. Five milliards of a pound (one-half piaster) per square meter of the area of the subdivision for examination and approval of a subdivision where public roads will be established. The minimum fee shall be ten pounds (LE 10).

No fees shall be collected for review and approval of the subdivision regarding non-building purposes.

Article 33. All fees due according to this law shall be considered as a lien against the property of the subdivision ranking in priority following tax liens, legal fees and judicial costs. Such a lien may be enforced by administrative seizure.

Article 34. The directors, engineers and assistant technicians directly responsible for planning and organization in the local councils/municipalities, and others appointed by the Minister of Justice, in agreement with the Governor concerned, shall have the authority to make arrests and to enter construction sites, subject to the provisions of this law, without permission, inspect the site, indicate violations and take necessary steps to see that such violations are corrected.

The persons referred to in the previous clause can testify in writing regarding the violations of this law that have occurred to those violators and also regarding projects approved according to its provisions.

The above-mentioned persons must follow up the execution of decisions issued concerning the construction in violation and inform the chairman of the Local Council concerned about any obstacles to such enforcement.

Article 35. The violators/party concerned may appeal from the decisions issued by the administrative department in charge of planning and organization according to the provisions of this law. That appeal must be made within thirty (30) days of notification of that decision.

A Committee shall be formed in the headquarters of the Local Council which is responsible for considering such appeals. This Committee shall consist of:

- a judge appointed by the Chief Judge of the primary court of the Governorate.
- two members of the Local Council chosen by that Council for two year terms, with the possibility of one renewal.
- two engineers who are not employees of the administrative department in charge of planning and organization in the Local Muncipality, one of whom is an architect and the other of whom is a civil engineer. Both of these persons will be chosen by the Governor for a two year term, with the possibility of one renewal.

The Committee shall be created by a decree of the Governor. The quorum necessary for valid actions of the Committee shall consist of the Chairman (the judge) and at least three of the other members, two of whom shall be engineers. Its decisions are approved by a majority of those attending. If there is a tie vote, then the vote of the Chairman is deciding.

The Committee must make a decision regarding the appeal within sixty (60) days of the time that it is presented to it. If that period lapses without the issuance of a decision, then the appeal is considered as rejected.

The regulations of this law shall indicate the rules and procedures that shall be followed by the Committee in its proceedings and method of announcing its decisions to both the administrative department in charge of planning and organization and to the party concerned.

Article 36. The administrative department in charge of planning and organization can make a decision, after getting the approval of the Committee

mentioned in the previous article, to immediately remove the construction and buildings that are set up after this law takes effect in subdivisions that are not approved according to its provisions, if the existence of such construction and buildings violates the public interest.

The above-mentioned department has the right to vacate, through an administrative procedure, the site in violation of its occupants, if any, without the need of following judicial proceedings.

Such eviction is done by the administrative department itself, or through others delegated authority by it, and the violator pays all of the expenditures of the removal These fees may be collected from him by administrative seizure.

Article 37. The construction in violation shall be stopped by administrative procedure. A decision ordering such stoppage is issued by the administrative department in charge of planning and organization, which shall include the data regarding this construction. This decision shall be announced to those concerned through the administrative department. The regulations of this law shall indicate the procedures that should be followed in cases where such announcement would cause difficulties.

The above-mentioned department may seize the tools and equipment used on the site in violation during the period of the stoppage.

Article 38. The administrative department in charge of planning and organization shall refer construction in violation that demands removal or correction, whether the procedures regarding stoppage have been adopted according to the provisions of the previous article or not, to the Committee provided for in article 35, provided that the referral shall be made within a week from the date of stoppage. In addition, the violator may appeal directly to the above-mentioned Committee.

The Committee issues its decisions in the cases presented to it, whether for removal or correction or resumption of construction, within ten (10) days from the date that they are received by it.

Apart from what is provided in this article, the provisions that are applicable for the organization of the Committee provided in article 35 and the regulations are applicable here.

Article 39. Violators/persons concerned and the administrative department in charge of planning and organization have the right to appeal decisions of the Committee provided for in article 35. Such appeal must be made within fifteen (15) days of the announcement of the decision or from the final date for consideration and decision regarding the complaint, depending on the case. Otherwise, such decisions by the Committee will be final.

Such appeals will be reviewed by a Committee formed in the headquarters of the Local Council of the Governorate concerned. This Committee shall consist of:

— a Chairman, a judge appointed by the Chief Judge of the Primary Court of the Governorate.

— the Director for Housing and Reconstruction in the Governorate or his deputy.

— two members of the Governorate Council, chosen by that Council for two year terms, with the possibility of one renewal.

— two engineers, one civil and one architect, who shall be chosen by the Governor for two year terms, with the possibility of one renewal.

The Committee shall be formed by a decree of the Governor. The quorum necessary for valid decisions shall consist of the Chairman and at least three other members, including two engineers. The decisions may be issued by a majority of those present. If there is a tie vote, then the vote of the Chairman is deciding.

The Committee shall make its decisions regarding such appeals within thirty (30) days from the time of their receipt. Its decisions are final. Regulations for this law shall indicate the rules and procedures to be followed by the Committee in its work and the method by which its decisions shall be announced both to violators/persons concerned and to the administrative department in charge of planning and organization.

Article 40. Those concerned shall execute the final decision of the Committee for removal or correction of the construction in violation. This execution shall take place within a time limit set by the administrative department in charge of planning and organization.

If such persons refuse or delay that execution, the administrative department in charge of planning and organization may correct such violations itself, or through persons delegated by it to perform the work. The violator shall be responsible for all costs and expenses. These costs may be collected from him by administrative seizure.

To accomplish such removal, the above-mentioned department may vacate occupants, if any, from the stie without recourse to judicial proceedings.

If the correction of construction violations demands the temporary evacuation of some or all of the building by administrative procedure, this can be accomplished administratively by compiling a list of the names of the occupants. During the period required for such correction, the site is considered in the possession of the tenant if he does not express his wish to terminate the lease agreement within fifteen (15) days of being notified of the need for temporary evacuation.

The site occupants have the right to return to it immediately after the correction of the construction in violation without the necessity of obtaining the approval of the landowner. If he objects, this result can be obtained through administrative procedure.

Article 41. The provisions of Part Two of this law are applicable in the capitals of the Governorates and those places considered as towns under the Local Administration Law. It is not applicable in villages and other areas, except by a decree from the Minister of Housing and Reconstruction, upon the request of the Governor concerned and after the approval of the Local Council.

It is permissible for furtherance of the public interest or in consideration of local circumstances and development circumstances, to exempt the town or the village or part of their area from the application of some of the provisions of Part Two of this law or its executing regulations or decisions issued to implement it. It is permissible for the same reasons to exempt a subdivision/plot or a certain building from the application of some of these provisions, as long as it does not affect the rights of others.

In all such cases, such exemption shall be considered upon the suggestion of the Local Council concerned.

Article 42. The Committee which is responsible for considering applications for such exemptions according to the provisions of the previous article and for setting the alternative conditions that will realize the public interest if such exemption is approved and the amount that should be paid for such exemption, shall consist of:

— an Under Secretary of the Ministry of Housing and Reconstruction, chosen by the Minister.

— an Under Secretary of that Ministry, representing the General Organization for Physical Planning, as chosen by the Minister.

— an Under Secretary, representing the General Secretariat for Local Government, as chosen by the Minister for Local Administration.

— three chairman of departments of architecture and planning in the faculties of engineering in Egyptian universities, as chosen by the Minister for Higher Education for two years, with the possibility for one renewal.

— three experienced consultant engineers, chosen by the Minister for Housing and Reconstruction, upon the recommendation of the Engineering Syndicate Board, for a two year term, with the possibility of one renewal.

The Committee is established by a decree of the Minister of Housing and Reconstruction. The executing regulations for this law indicate the general authority of the Committee and the rules and procedures that should be followed by that Committee.

The Committee may receive help from the faculties of the Research Institutes and other departments, institutions and scientific bodies, and also from individuals and government departments concerned.

The Committee must have the attendance of more than one-half of its members for the quorum necessary for valid decisions. Such decisions may be issued by a majority vote of those attending. If there is a tie vote, then the vote of the Chairman is deciding.

The decisions of the Committee shall be presented to the Minister of Housing and Reconstruction for approval or rejection by a decision which states specific reasons. Where he approves a decision of the Committee allowing an exemption, then the Minister of Housing and Reconstruction shall issue a decision that states the alternative conditions that must be met and the costs that should be paid to allow such an exemption.

Part Five

Penalties

Article 43. Without affecting any severe penalty provided by the Penal Law or any other law, all those who violate the provisions of Article 19 are penalized by imprisonment for not less than six (6) months and a fine of not less than one hundred pounds (LE 100) nor more than two thousand pounds (LE 2000) or by either of these two penalties. In addition, those who violate the provisions of articles 8, 9, 15, 18, 20, 21, 24, 25, 28, and 30 of this law and those who violate the provisions of their executing regulations or decisions passed to implement them, are penalized by being imprisoned for a period that is not more than six (6) months and a fine that is not less than ten pounds (LE 10) and does not exceed one thousand pounds (LE 1000) or with either of these penalties.

In addition, the violator must remove or correct or complete the deviating construction so as to make it conform to the provisions of this law and its executing regulations and the acts passed to implement it, in cases where there is no final decision from the Committee concerned.

If the violation or deviation concerns the performance of a building project without approval, and it was not decided to remove it, then the fees should be doubled on the violator and at the request of the administrative department in charge of planning and organization, it is decided that the designs provided by this law, its executing regulations and the decisions passed to implement it, must be carried out and during the period defined in that judgement. If the person named in the judgement did not carry them out within that period, then the above-mentioned department is permitted to prepare them, without bearing any responsibility, and according to the obvious and straightforward situation. The cost of this work is borne by the violator and these sums may be collected from him through administrative seizure.

Article 44. The Court shall judge that the site shall be vacated of its occupants and the parts of it that shall be removed. If the evacuation does not take place in the period defined in the judgement, then it is permissible to carry it out through administrative procedure.

If the correction or completion of the construction required that the site be temporarily vacated of all or some of its occupants, and an administrative deed/list is written with their names upon it, and if the administrative department in charge of planning and organization in the local Municipality notifies them of the evacuation in the period which it defined, and if the evacuation did not take place after the expiration of that period, then it is permissible to carry out that evacuation by administrative procedure.

In all cases, all of the required correction or completion of the construction shall be completed in the period defined by the above-mentioned department. During this period the site shall be considered as legally in the possession of the tenant, so long as he does not express his desire to terminate the lease contract within fifteen (15) days of being notified of the decision regarding the temporary vacating.

The occupants of the site have the right to return to it immediately after the completion or correction is made without the need of obtaining the approval of the landowner. If he objects they can be returned through administrative procedure.

Article 45. The violator shall be penalized by paying a fine of not less than one (1) pound (LE 1) nor more than ten (10) pounds (LE 10) for every day in which he does not execute or implement the decision of the Committee responsible for removal or correction. This fine will begin from the date of the expiration of the period defined by the administrative department in charge of planning and organization in the local Municipality for the execution of that decision.

This fine will vary according to the type of violation. It is not permitted to suspend the payment of the fine.

A successor in ownership of the property, whether public or private, is responsible for the implementation of that decision as to removal, correction or completion from the date of the transfer of ownership to him. The provisions regarding the fine provided for in this article are applicable to it.

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With regard to the resumption of construction that has been stopped, the provisions regarding this fine are applicable for every day from the day following the notification of those concerned of the decision regarding stoppage.

The provisions of this article are not applicable for violations for which there have been criminal proceedings instituted before the date that this law takes effect.

Article 46. A representative of a corporation, or one delegated the authority by him to manage the corporation, is responsible for the violations done by him or any of its employees. He shall be penalized by the fines stated as penalty for such violations.

Also the corporation is responsible as guarantor for the payment of fines put upon his representative or the one delegated to diract the corporation or its employees.

Article 47. The penalties stated in the Penal Law and in this law will be doubled for purposeful evasion of these rules and announcement of unapprovad subdivisions. In such cases, it is not permitted to suspend such penalties.

Article 48. Those concerned should take the initiative in executing the judgement regarding the removal, correction or completion of the construction in violation of this law. This action shall be done within the period defined by the administrative department in charge of planning and organization.

If such persons do not execute or refuse to execute the judgement, then the department in charge of planning and organization has the right to carryout the execution itself, or through delegation of its authority, and the violator bears all costs of that work. These costs may be collected from him by administrative seizure.

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SUBDIVISION OF LANDS FOR CONSTRUCTION
(Law No. 52 of 1940)
(as amended by Law No. 2 of 1952)

Article 1. In order for the present law to apply, one must intend to subdivide land into several parcels in order to put residences upon them with the purpose of putting them up for sale, of exchanging them or of renting them (including the right of hekr). The law applies only when not all of the parcels border an existing public way.

Article 2. It is prohibited to create or to modify a subdivision without having obtained, within the conditions stated by this law and the regulations made for its execution, previous approval of the project by the Planning (Tanzim) Authority.

Article 3. All parcels of a subdivision intended for the construction of residences must be bounded by at least one road.

Article 4. The determination will take account of the width of roads of the subdivision (footpaths and sidewalks), the eventual extension of residences, the state of traffic or other considerations of urbanization within the zone where the subdivision is situated and within its neighboring zones. However, barring any executing regulation established regarding only certain cities, villages or city quarters as to a lower width, each way/road cannot have a width less than 10 meters. Ways of a length greater than 1000 meters cannot have a width less than 20 meters. Ways with a width greater than 30 meters must include a median island. Ways extending existing roads or other designated roads must have their width the same as the existing ways, but not less than 10 meters wide.

Article 5. All subdividers must allocate at least one-third of the total surface area of the land to build roads, squares, gardens and public parks or other open spaces of the same nature. The road or existing public roads bordering the indicated lands are included in this formula by using one-half of their width in calculating the one-third required. The authority responsible for Planning (Tanzim) can authorize the allotment of the interior area. It can also authorize a greater surface area for such uses. All of the surface area beyond the one-third that the indicated authority judges necessary must be obtained by payment of the price that will be determined in conformity with the law regarding expropriation for public purposes.

Article 6. The buildings within the subdivision cannot occupy more than 60% of the area of the parcel upon which they are erected. Unclosed construction, such as terraces, stairways, or stoops, may occupy a supplemental surface area not greater than 10% of the area covered by the closed construction. The authority responsible for Planning (Tanzim), however, can, for specified quarters, authorize the allotment to closed construction of an area greater than 60% of the total.

Article 7. The request for approval of the subdivision project must be presented in the form and conditions prescribed by the executory regulations. It must be accompanied by:

1) the plans of the subdivision required by the indicated regulation with an indication of the division related to Article 12;

2) a program indicating the methods of realization of the arrangements provided in Article 12, such as the evaluation of costs necessary for the execution of these works and of the parts concerning each section and each lot;

3) property titles and certificates attesting that there does not exist any charge upon the lands that must be incorporated into the public domain;

4) contract conditions indicating general conditions or particular conditions imposed by the subdivider upon purchasers or tenants within the interest of good management of the subdivision, particularly those which concern hygiene and urbanization.

5) a receipt indicating that the subdivider has paid previously to the deposit of his project, the survey/investigation charge calculated on a basis of LE .002 for each square meter of the total area to be subdivided, with a minimum charge of LE 10.

Article 8. The authority responsible for planning (tanzim) must, within six months of the presentation of the request provided for in the preceding article, grant approval or communicate the reasons for its refusal. In a case where that authority believes the applicant must add to the subject plans or contract conditions corrections or modifications to make them conform to the requirements of the present law and its executory regulations, or to adopt the subdivision to the plan of managing and extending the city if one exists, the approval should be granted within the month following the acceptance of the corrections and modifications. In a case where the six month period has expired, without the authority communicating to the party making the request its approval or refusal, or the modifications that it believes must be supplied, the request will be considered as accepted. Likewise, the request will be considered as accepted in the case where the time limit of one month provided for in the second paragraph has expired without the authority communicating its approval to the party making the request.

Article 9. The approval of the subdivision will be confirmed by a Decree published in the Official Gazette. The publication of this decree brings about the incorporation of roads, squares, gardens and public parks into the public domain.

Article 10. It is prohibited for the subdivider to sell, to rent or to hekr lands comprising a subdivision before the publication of the decree alluded to in the preceding article and before the deposit at the Registry of Mortgages/Land Registry of a certified conformed copy of this decree and the contract conditions mentioned in Article 7. It is equally prohibited to construct buildings or to execute public works on the lands subdivided before the publication of the indicated decree.

Article 11. Under pain of invalidating the rights of whoever succeeds the purchaser, tenant or beneficiary of the hekr, all acts of sale, of rental or of formation of hekr must contain a reference to the decree of approval of the subdivision and to the contract conditions mentioned in Article 7, such as the stipulation that purchasers, tenants and beneficiaries of hekr are subject to the conditions of the indicated contract conditions.

Article 12. The competent authority can, by order of the Minister of Public Works, compel the subdivider to ensure for the subdivided lands the means of a supply of drinking water, of lighting, and of drainage of water and sewerage. If the subdivision is carried out in an area where these services exist, the arrangements necessary must be made for the joining of the subdivision to such public services. The subdivider is always held to construct the footpaths and sidewalks of the ways and of leveling them/equally them with the conditions determined by the executory regulation. For works subject to this article, the subdivision can be divided into sections. Each section must comprise at least all of the lots bordering a public way.

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Article 13. Any sale, rental or formation of hekr of a lot cannot be registered if the subdivider does not present an attestation from the authority responsible for Planning (Tanzim) that the public works of subdivision or of the section where the lot is located have been executed or if the subdivider, purchaser, tenant or beneficiary of hekr does not produce a receipt of the authority indicated justifying that he has deposited to it the sum representing the part related to the indicated lot within the public works indicated in the program mentioned in Article 7.

Article 14. Any construction cannot be erected upon a lot after the works mentioned in Article 12 have been executed, unless the subdivider, purchaser, tenant or the beneficiary of hekr does not deposit with the authority responsible for planning (Tanzim) the part related to the indicated lot with its works. However, when at least one-third of the lots of the subdivision or a section of the subdivision have been occupied by buildings, the subdivider must execute the works for the whole subdivision or for all of the section within the time limit given to him by the competent authority. Upon failure of that execution, the works will be executed according to regulations at the expense of the subdivider.

Article 15. The laws and regulations relative to the hygiene of public ways, to public security and to traffic circulation are applicable to the public ways of subdivisions where the assumption of responsibility has not yet been taken by the competent authority. Likewise, the laws and regulations regarding planning (Tanzim) and construction are applicable in the indicated subdivisions.

Article 16. The taking of responsibility of a road of a subdivision or of a square can only be required of the competent authority after the execution of the works mentioned in Article 12 and on the condition that at least three-quarters of the total lots bordering that public way are covered with buildings. The taking of responsibility of the garden or public park can be required of the competent authority only if it has taken responsibility for the space that surrounds it or the public ways that gives access to it.

Article 17. The restrictions established by the contract stipulations and attached to the land constitute servitudes both active and passive that purchasers, tenants or beneficiaries of hekr of the lots can enforce against each other.

Article 18. All interested parties have the right to request a copy of the contract provisions from the Mortgage Registry/Land Registry.

Article 19. In order to carry out the present law, the engineers in the Planning Department (Tanzim) are invested with the same legal authority as officers of the police and have free access at any moment to the lands of the subdivision, and to the work yards in order to assure themselves that the stipulations of the present law and its executory regulations are observed and to verify all violations of these provisions.

Article 20. All violations of the provisions of the present law will be punished by a fine of from 100 to 1000 piasters. The judgment shall, moreover, in case of violation of Articles 2,3,4,6,12 and 13, order the setting right or demolition of the incriminating works. Failure of the interested parties to execute the judgment relative to the setting right or demolition of the incriminating works shall allow the authority responsible for planning (tanzim) to proceed to their execution at the expense of those parties.

Article 21. In case of criminal proceedings for violations of the provisions of the present law, the authority responsible for planning (Tanzim) can proceed by administrative means to immediate interruption/ suspension of the incriminating works.

Final and Transitory Provisions

Article 22. The present law will only be applicable in cities and villages endowed with municipal councils, as set by decree of the Minister of Municipal and Rural Affairs.

The Minister may, at the request of the municipal council, exempt a city or village from the application of certain provisions of the regulation executing the present law.

Article 23. The present law is not applicable, however, to Heliopolis and also to all subdivisions which, because of their importance or because the State is owner or co-owner of the lands to be subdivided, are exempted. The reason for that exemption must be approved by decree.

Article 24. Certain provisions of the present law can be applicable to subdivisions where all of the lots have not been sold or constructed upon before this law takes effect. Such an application must be made by decree. That decree will fix the indicated provisions and the method of their application, without prejudice to the rights of purchasers and of those who have elevated/added to the buildings.

Article 25. Our Ministers of Municipal and Rural Affairs, of Public Works, of Interior and of Justice are charged, each in the area of his own concern, with the execution of the present law. The Minister of Public Works shall issue the regulations necessary for the execution of the present law.

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ILLEGAL SUBDIVISIONS
(Law No. 29 of 1966)

In the name of the Nation
The President of the Republic and
The People's Assembly have enacted and issued the following law

Article 1. It is prohibited to issue decisions or regulations regarding the removal, destruction or improvement of buildings or other construction that was built in violation of the provisions of Law No. 52 of 1940 regarding subdivision of land, Law No. 45 of 1962 concerning building standards, and Law No. 55 of 1964 regarding the organization and supervision of building construction, and laws modifying them, from the date that this law takes effect. All judgments regarding criminal acts that took place before the passage of this law, in violation of the provisions of the above-mentioned laws regarding removal, destruction or improvement of such buildings in violation, will no longer be implemented.

The following are exempted from the provisions of the previous paragraph:

a. Buildings and installations established on land owned by the government or land owned by public installations and public sector companies.

b. Buildings and installations that were established outside of approved planning boundaries.

c. Buildings and installations that should be moved to carry out general planning requirements.

Article 2. There is added to the public domain, without charge, streets, public ways, squares, and parks that were prepared as part of a subdivision, or part of a subdivision, that was completed in violation of the provisions of Law No. 52 of 1940 regarding subdivision of lands mentioned in the previous article, and which the authority in charge of planning decides has been defined as a residential area by the erection of buildings upon it so as to render impossible the implementation of that law.

The decree containing the procedures for the implementation of this law is issued by the Governor for the relevant jurisdiction, after consultation with the local Municipal Council. It is possible by means of a decree of the Minister of Housing and Public Utilities to exempt vacant lands remaining in the subdivision, or part of the subdivision, mentioned in Article 1, from the application of the provisions of Law No. 52 of 1940, provided that the decree indicates the reasons for that exemption.

Article 3. The authority in charge of planning may install the public services mentioned in Article 12 of Law No. 52 of 1940, in the subdivided areas, or parts of those areas, referred to in the previous article. The authority will then collect the costs for executing these services from the landowners by means of administrative procedure.

The share of these costs borne by each parcel in the subdivision is calculated on the basis of the area of the parcel in proportion to the total area of the subdivision. This matter shall be dealt with specifically in a decree of the Minister of Housing and Public Utilities.

Article 4. The Minister of Housing and Public Utilities, the Minister of Justice, and the Minister of Municipal and Rural Affairs shall implement this law, each in the area of his concern. The Minister of Housing and Public Utilities shall issue the decrees which implement the law. This law takes effect upon its publication in the Official Gazette.

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INDUSTRIAL ZONES
(Law No. 28 of 1949)

Article 1. It is permitted in cities and their surrounding areas, to demarcate one or several zones in which to assign, to the exclusion of all other uses, factories, manufacturing and workshops to be established or to be worked/managed/exploited, thus all other unhealthy, inconvenient or dangerous establishments which will be designated by decree of the Minister of Public Health, with the agreement of the Minister of Commerce and Industry. The cities and their surrounding areas to which the present law is applicable will be designated by decree.

The authority charged with works of planning (tanzim) in each of these cities will proceed to the demarcation of the zone or zones to be established, generally as regards the establishments mentioned in paragraph (1) and, in particular, to each category of these establishments, or to several among them, and this after consultation with the Minister of Commerce and Industry, the Minister of Public Health, the Minister of the Interior and the Minister of Social Affairs. That demarcation must be approved by decree.

Article 2. The industrial zones above-mentioned can be made from lands belonging to the State, and lands belonging to provincial, municipal or rural councils, as they can be made from lands not belonging to these institutions.

In the latter case, these lands can be expropriated in conformity with the provisions of the law regarding expropriation for a public purpose and will be sold or rented to those who desire to establish or exploit the establishments for which the zones were established. The conditions and formalities relative to that process will be indicated in an executing regulation to this law made by a decree.

Article 3. Without prejudice to the provisions of Law No. 13 of 1904 concerning unhealthy, inconvenient or dangerous establishments, and the Decree of November 5, 1900 relative to steam engines, it is prohibited in cities and their surrounding areas where industrial zones have been designated, to establish or exploit one of the establishments mentioned in Article 1, or to issue a permit for any kind of such establishment, outside of these zones.

Article 4. It is prohibited, in cities and their surrounding areas where the present law is applicable, to introduce any modification whatsoever to establishments by the creation or exploitation of that for which a permit had been issued after the present law takes effect, if that modification will radically change the method of functioning, enlarge or extend these establishments, when the effect of such action is felt outside of the industrial zones provided for in Article 1.

Article 5. All violations to provisions of the present law, of orders or decrees which will be rendered with a purpose to its execution, are subject to imprisonment for a period not exceeding one week and a fine not exceeding 100 piasters, or one of these two penalties.

The judgment must, moreover, order the closing down of the establishment or the cessation of its business. The judgment ordering the closing down or cessation of the business can be put into a form for execution notwithstanding opposition or appeal.

Article 6. The Ministers of Public Health, of the Interior, of Public Works, of Commerce and Industry, and of Social Affairs are charged, each within the area of his own concern, with the execution of the present law. They will issue the decrees necessary for the execution of the present law, which will enter into force two months after its publication in the Official Gazette.

BUILDING STANDARDS

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DIRECTING AND ORGANIZING BUILDING CONSTRUCTION
(Law No. 106 of 1976)

In the People's Name
The President of the Republic and
The People's Assembly have ratified and
issued the following law.

Part I

Directing Investment in Building Construction

Article 1. Except for buildings constructed by the ministeries, governmental departments or organizations, and the public sector companies, it is prohibited to construct any new building, or to modify or renovate any existing building, in any part of the Republic, within the boundaries of cities or villages or outside of them, if these works will cost more than five thousand pounds (LE 5000), except after getting the approval of a Committee, formed by a decree from the Minister of Housing and Reconstruction that specifies and defines its costs, charges, powers, authorities and the data that must be presented to it. The decision must be made within the budgetary limits allotted for building for the private sector.

The above-mentioned Committee issues its decisions in accordance with the conditions and criteria act for the various levels of housing and the bases for the estimated level of costs for each level as defined by a decree issued by the Minister of Housing and Reconstruction. The prohibition stated in this article applies to building construction, or to modifications or renovation in the same building if the total cost of these changes exceeds L.E. 5000 (Five Thousand Pounds) per year.

Article 2. Under this law it is necessary to get the approval of the above-mentioned Committee in order to receive a building permit.

The administrative department in charge of the matter cannot give building permits for building, modification or renovation, if the cost is more than five thousand pounds (LE 5000) in the same building per year, except after getting the approval of the above-mentioned Committee.

Article 3. The approval of the Committee mentioned in Article 1 is effective for one year from the date of its promulgation. If this period lapses without the beginning of the building construction, it is necessary to inform the Committee requesting the renewal of the approval for a similar one year period. Throughout the construction period, the builders are responsible for paying the total costs and for adhering to the housing levels and conditions stipulated in the approval of the Committee. They are allowed to exceed estimated costs by no more than ten percent (10%).

If during the construction period, conditions and circumstances necessitate modifying or improving the specifications or exceeding the estimated costs by more than ten percent (10%), an application requesting approval for the modification of the specifications or for exceeding the costs should be presented to the Committee for its approval.

The Committee must reply to that request within sixty (60) days from its receipt- with its approval or disapproval. If the request is refused the reasons for that refusal must be stated.

Part Two

Organization of Building Construction

Article 4. It is prohibited to construct or modify buildings, to demolish buildings, or to cover up the facades of existing buildings with paint or by other means, except after getting a permit/license from the administrative department in charge of organization in the local Municipality (Local Board) after notifying it according to the regulations established under this law.

This provision applies to all those who construct any building or perform any of the other acts mentioned in the previous paragraph, whether they are individuals, public sector companies, ministries, governmental departments or general organizations (bodies).

It is prohibited to grant permits for the buildings or types of construction referred to in paragraph one of this article if they do not conform to the regulations of this law and are in agreement with the technical and general specifications, security requirements, and the health rules specified by those regulations.

Those regulations indicate the conditions regarding the construction of buildings on both sides of the road, be it public or private, and specifies the obligations of the licensee during construction and in cases of the stopping of its execution.

The regulations also specify the powers and authorities given to the local authorities to state the conditions and stipulations regarding environmental circumstances and rules regarding external facades on buildings.

Article 5. The permit application is presented to the administrative department in charge of organization. Enclosed with the application are the data, documents, approvals, architectural and structural designs as defined by the executive departments involved. This department must give the applicant a receipt indicating that it has received the application and its enclosures. The permit application should be signed by the applicant or his legal representative.

All designs or design modifications are to be signed by a specialized Union Engineer/Architect according to the rules stated in a decree issued by the Minister of Housing and Reconstruction after consulting with the Engineering Syndicate Council.

The designing engineer is wholly responsible for the design, for preparing and modifying the designs. He should carefully observe the Egyptian technical and measurement specifications that are valid during its preparation, and other decrees regarding rules for design and for the execution of structural and building construction, if it is not otherwise provided in the regulations for this law.

Article 6. The administrative department in charge of organization examines the permit application and its enclosures and makes its decision not later than sixty (60) days after their receipt. However, in cases in which it is necessary to get the approval of the Committee mentioned in Article 1 this date setting the maximum time for approval shall not begin until the administrative department is informed of that Committee's approval. The regulations may also define cases where the decision must be made in a shorter period.

If the above-mentioned department is sure that the acts requiring the permit conform to the principles of this law and its regulations and its enforcing acts, it will then give the permit after reviewing

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and ratifying the originals and the copies of the designs. Stated in the permit are: the boundary line or the road line or the building line to be followed by the person receiving the permit, also the width of the street, and the housing level and building facades and any other data required by any other law.

But if that department sees that some of the data or documents required for approval must still be completed or that the designs should be modified or corrected, it must inform the applicant by means of a registered letter within thirty (30) days of receipt of the application. In such cases, a decision regarding the granting of the permit must be made within thirty (30) days after the completion of the data or design modifications requested.

Article 7. If the period within which a decision regarding the application for a building permit is to be made expires without the granting or rejecting of such a request by the administrative department in charge of organization or a request by that department for more data, or documents or for modifications or corrections in designs, then the application is considered as approved.

The applicant for the permit, in such a case, is required to take into consideration all of the circumstances, conditions and guarantees stated in this law and its regulations and subsequent decrees based on this law.

It is not permitted, implicitly or explicitly, to approve in a permit applications to construct extra storeys, except if the structural skeleton of the buildings and their foundations would accept the loads of such construction. In such cases, the structural designs previously presented for the approval of the first permit must be resubmitted even if height-base regulations allow the construction of such additional storeys.

And it is permissible for the administrative department in charge of organization not to approve applications for permits if these constructions are located in areas or streets that are subject to replanning according to an act of the Municipality (Local Council) until such replanning takes place. Such replanning must take place not later than one year after the announcement of the replanning act in the Official Gazette. It is permissible to extend that period only once after which the permit should be granted according to previous planning conditions.

Article 8. It is not permitted to request a building permit or to begin execution if such construction exceeds a cost of ten thousand pounds (LE 10,000) except if the applicant presents an insurance policy, the cost of which shall not be included in the costs regarding which rental amounts shall be estimated.

This insurance policy covers the civil responsibility of the engineer and contractors for damages affecting the owner of the building or other persons during the period of execution, with the exception of the employees of the contractors. It also covers their responsibility during the period of guarantee provided in Article 651 of the Civil Code, and also damages affecting others during that period because of the partial or complete destruction of the building and its installations or defects that may jeopardize them.

The maximum amount paid by the insurance policy for material and physical injuries is one hundred thousand pounds (LE 100,000) for every accident, provided that the responsibility of the insurant toward any one person for physical injury would not exceed five thousand pounds (LE 5000).

A decree issued by the Minister of Insurance, in agreement with the Minister of Housing and Reconstruction, that gives the rules regarding that insurance, its limits, conditions and circumstances and the cases in which the insurant has the right to seek compensation from the person responsible for the injury, shall be issued. That decree shall also include conditions regarding the insurance installments and the subsequent obligatory commitment (fee) to be paid, provided that the latter should not exceed one percent (1%) of the cost of the construction for which the permit is issued.

This insurance policy should be based upon a model approved by the Minister of Insurance. The provisions of this article are not applicable to previously permitted and approved construction or those for which work is begun before the execution of the provisions of this law.

Article 9. If the applicant does not begin construction within one year of the granting of the building permit, he must renew that permit. This renewal will be for one year only and the conditions provided in the regulations for this law should also be followed regarding the renewal application, in examining it and in making a decision regarding it. For purposes of this article, digging of foundations is not considered as a start in the execution of a construction project.

Article 10. The applicant for a permit is responsible for the data regarding the land concerned in that application. In all cases the rights of all those who have interests in the land shall not be affected by the request for a building permit or its renewal.

Article 11. The execution of the construction shall be according to the technical specifications and designs, data, and documents according to which the permit was given. Also the types of building materials used must meet established Egyptian specifications.

No modifications or essential changes are permitted in the approved designs, except after getting the permission from the administrative department in charge of organization. However, for simple modifications required by conditions of execution, it is sufficient to have them stated on the approved originals and copies by the above-mentioned departments, according to procedures specified in the regulations.

A copy of the building permit and of the approved designs should be kept at the construction site and checked with works under construction.

Article 12. Taking into account the provisions of the former article, applicants for building permits shall entrust a union civil engineer or architect-engineer with the execution of construction costing over five thousand pounds (LE 5000). That engineer becomes wholly responsible for supervising the construction, and the committee of the governorate has the right to require the applicants to follow this provision in other cases defined by it where the cost is less than five thousand pounds (LE 5000).

The Minister of Housing and Reconstruction, after consulting with the Engineering Syndicate Board, shall approve a decree that specifies the cases where supervision over execution of construction works shall be done by more than one (1) union engineer.

Before beginning execution, the applicant shall present to the administrative department in charge of organization a written commitment from the engineer whom he has selected to supervised the licensed construction.

In cases where he is not able to supervise that construction for any reason, the engineer should notify the above-mentioned department in writing and all construction must stop. If the applicant wants to carry on the execution he must choose another union engineer and also present the commitment referred to in the previous clause. The supervising engineer should refuse to use building materials that do not follow the specifications and he must notify the above-mentioned department of such violations in writing. In addition, he must notify that department regarding any construction not meeting regulations regardless of who is executing them.

Article 13. The Governor, after receiving the approval of the Local Council, ratifies an act that establishes street lines.

Without deviation from the provisions of Law No. 577 of 1954 regarding expropriation of immoveable property for public purposes, which stated that it was not permissible to execute construction or add storeys to present sections which go over building lines but that the persons concerned should be fairly compensated, it is permissible to repair and paint such existing facades.

If an act is passed to change street lines, the Local Council is permitted to pass an act to rescind previously granted building permits or to modify them to conform with the new street line, whether or not the licensee has started to carry out the construction for which the building permit was granted. If he has begun such construction he is entitled to fair damages.

Article 14. The directors, engineers, assistants, and technicians who are charged with reorganization in the Local Council, and other employees who are defined by an act approved by the Chancellor/Attorney General, in coordination with the Governor, shall have the right of judicial arrest (seizure), and have the right to enter construction sites that are subject to the provisions of this law, even if they did not receive a building permit, and to record the violations and to take stated actions regarding them.

The persons referred to in the previous clause shall inform the licensee and the supervisor about the violations that take place regarding the original plans and the misuse of materials.

The above-mentioned individuals shall follow up the execution of the acts and final judgements regarding these deviating constructions, and notify the Chief of the Local Board in charge of any hindrance to the carrying out of any penalties.

Article 15. All persons concerned shall be informed of acts of the administrative committee in charge of organization in accordance with provisions of this law. This notification shall be within thirty (30) days after the decision is made.

The Committee charged with considering such complaints is called the Complaint Committee and is formed in the headquarters of the Local Town or City Council consisting of:

1- a judge delegated by the Chief Judge of the Primary Court of the Governorate.

2- two of the members of the Local Council chosen by the Council for a one year period, which can be renewed for one subsequent one year period.

3- two engineers who are not employed in the administrative department in charge of organization in the municipality, one of

whom is an architect-engineer and the other of whom is a civil engineer. These two engineers are chosen by the Governor for two year terms, with the possibility of one renewal.

The Committee is formed by a decree of the Governor. For its meetings to be valid they must have a quorum consisting of the Chairman and at least three of its other members, two of whom are engineers. It issues its decisions through a majority vote of members present. If there is a tie vote the side on which the Chairman has cast his vote wins.

The Committee shall make decisions regarding complaints submitted to it within sixty (60) days of their receipt.

The regulations under this law shall state the rules and procedures that should be followed by the Committee so that it can make decisions regarding complaints in the time fixed, and also regarding the public announcement of its decisions to those concerned, and the administrative regulations required for the department in charge of organization.

Article 16. The administrative department in charge of organization can act, after getting the approval of the committee mentioned in the previous article, to remove, either partially or completely, buildings that were constructed without a building permit after this law went into effect, and these buildings contravene the public interest, such as where the owner did not start construction within the required period of time as defined by the department. In such situations the administrative department has the right to vacate the building of its occupants if there are any, without recourse to judicial proeedures.

Removal of occupants may be done through the above-mentioned department itself or by those to whom it delegates the renewal process. The total costs of renewal/removal are charged to the owner and are collected through the administrative seizure process.

Article 17. All construction in violation shall be stopped by this administrative process. The administrative department in charge shall issue a list of such construction projects in violation of these regulations and shall inform all those concerned. The regulations shall indicate measures necessary to be carried out where it is not possible to inform the parties involved of such a designation.

During the period in which construction is stopped under the above, the Committee has the right to seize and hold the tools and equipment used on the project.

Article 18. The administrative department in charge of organization shall send notice of the construction violation that necessitates removal or modification, whether or not such violation has stopped, in accordance with the provisions of the previous article. This notice shall be sent within one week of complaint and the person concerned has the right to appeal that decision directly to the committee previously referred to.

That committee then makes its decision in the cases that it reviews, either that the construction in violation be removed or modified, or that the construction be resumed. This decision must be made within ten days of receipt of the appeal.

Without infringing upon potential criminal punishment, it is permissible for the committee to allow some violations that do not affect the public welfare, the security of the inhabitants or passersby or neighbors, and the limits upon this practice shall be

set out in the regulations. In such cases, the committee shall decide the amount of benefit received by the violator that he should pay to receive such permission. That sum should be paid to the Local Council where that developed land is located if the violator does not remove or modify the construction in violation.

Except as stated in this article, all of the provisions that organize the responsibilities of the above-mentioned committee as stated in Article 15, and all of the regulations issued to implement those responsibilities are applicable here.

Article 19. The concerned party and the administrative department in charge of organization have the right to appeal decisions of the "Complaint Committee" provided for in Article 15. Such appeal shall be made within fifteen (15) days of the announcement of the decision or the expiration of the period for consideration of the complaint, as the case may be, otherwise the decision of the Committee is final.

An "Appeals" Committee is charged with considering these appeals. It is formed and located at the headquarters of the Executive Committee of the responsible Governorate.. Its members consist of:

-- a chairman who is a judge appointed by the chief judge of the primary court in the Governorate.

-- a representative of the Ministry of Housing and Reconstruction in the Governorate or his deputy.

-- two members of the Governorate Local Council chosen by the Council for two year terms, with the possibility of one renewal.

-- two engineers, one architect-engineer and one civil engineer, chosen by the Governor for two year terms, with the possibility of one renewal. They should be employed in the administrative department in charge of organization.

The Committee can ask the help of experts. The Governor issues the decree that establishes the Committee. For a valid meeting, a quorum of the chairman of the Committee and at least three of its other members, two of whom should be engineers, must be present.

The Committee shall issue its decisions by majority vote of those present. If equal votes are cast, then the vote of the Chairman shall be decisive.

The Committee shall consider the contradictions/appeals presented to it and make its decision within thirty (30) days of receipt of the appeal. Its decision shall be final.

The regulations shall give the rules and procedures to be followed by the Committee, and the method by which its decisions shall be announced to the parties concerned and to the administrative department in charge of organization.

Article 20. The persons concerned shall take the initiative to execute the decisions of the Committee for removal or modification of construction in violation within the appropriate period defined by the administrative department in charge of organization.

If such persons refuse to carry out such decisions or if the period stated lapses without their having done so, then the administrative department in charge of organization must carry out the decisions itself, or through other designated persons, and the violator must pay all of the costs incurred during the administrative seizure procedure.

In order to carry out the building removal, the above-mentioned department has the right to vacate the building of its occupants, if any, without the necessity of recourse to judicial procedures.

If the improvements necessitate the vacating of the building temporarily by some or all of its occupants, those improvements shall be carried out in an administrative manner, and a list of the names of the occupants required to vacate, The period necessary for improvement shall not change the legal status of the tenant. He shall remain legally in possession of the apartment without paying rent for that period.

The occupants of the building have the right to return to their allotted places immediately after it has been improved without getting the approval of the landlord and this can be done by an administrative process.if the landlord refuses to admit him and the tenant has not expressed in writing his desire to terminate the lease agreement.

Part Three

Judgements and Penalties

Article 21. Without infringing upon any penalty provided by the Penal Law or any other law, every person who violates the provisions of the first and third clauses of Article 1 and the first clause of Article 3 of this Law shall be penalized by the paying of a fine equal to the cost of the construction or of the building materials used. If there is a contractor he should be penalized by paying a fine that is equal to one-half of the cost of the construction that he executed.

In addition to the fine, it is permissible in all cases to issue a judgement of imprisonment for more than three (3) months and up to one year.

Article 22. Without being contrary to any severe penalty provided under the Penal Code or any other law, he who violates the provisions of articles 4, 5, 7, 8, 9, 11, 12, 13, and 20 of this law, and those who violate its regulations or enforcing acts, may be penalized by imprisonment for a period of less than six months and a fine that is not less than ten pounds (LE 10) or more than one thousand pounds (LE 1000) or with either of the above penalties.

In addition to the above penalties, there must be a judgement that removes, improves or uses the construction/building in violation in a way that makes it conform to the provisions of this law and its regulations, if there is no final decision issued by the committee responsible with regard to that subject.

If the violation concerns construction done without a building permit and that construction is judged not to be removed, the violator shall be required to pay one-half of the costs, according to the demand of the administrative department in charge of organization and its requirements, the designs set in this law and its regulations and implementing acts. These costs should be paid within the period of time set by the judgement.

If the violator does not correct such violations during the prescribed period, then the above-mentioned department may make such corrections itself (without being charged with responsibility for them), including external painting of the building and this shall be done at the account of the violator, in return for two percent (2%) of the total cost of the construction, but not less than twenty five pounds (LE 25). These funds may be collected through administrative seizure (detention) of the property.

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Article 23. The court may make a judgement that the building shall be vacated by its occupants in the areas that are to be removed. If the vacating is not done during the period specified in the judgement, then it is permitted to remove such persons through administrative action (detention).

If the improvements or completion require vacating the building temporarily by all or some of its occupants, an administrative list containing their names shall be made and the administrative department in charge of organization in the Local Municipality notifies them to vacate the building for that period. If that period lapses then such vacating can be continued through administrative detention (seizure).

In all cases, all improvements or corrections or completions shall be completed in the period defined by the above-mentioned department. At the completion the building specified will be in the possession of the tenant legally if he does not express his desire to terminate the lease contract within fifteen (15) days from the announcement of the date of the temporary act of vacating.

The occupants of the building have the right to return to it immediately after the improvement or renovation is completed without having the approval of the landlord. If the latter refuses to allow them to return it can be done through administrative action.

Article 24. The violator is penalized by a fine that is not less than one pound (LE 1) or more than ten pounds (LE 10) for every day in which he refuses to carry out the provisions or the final decision of the Committee in charge to remove or improve or complete the building. The period of assessment begins after the expiration of the period defined by the Committee in charge of organization in the Local Municipality which is responsible for the implementation of the provisions of this Act.

The fine varies according to the type of violation and it is not permitted to suspend the implementation of the fine. The public or private violator becomes responsible for carrying out the provisions of the final decision, be it removal, improvement or completion. A new purchaser or transferee becomes subject to the provisions set forth in this article and liable to pay a fine from the date of the execution of the transfer of ownership to him.

In addition, the provisions regardin the fine are applicable where construction has begun again after being stopped from the day following the announcement of the act of stopping construction to all concerned.

The provisions of this article do not apply to violations against which criminal proceedings have been taken previously, before the date that this law took effect.

Article 25. The representative of a corporation or the one who is entrusted with the management of the corporation is responsible for violations of the provisions of this law, its regulations and enforcing acts, whether done by him or by others working for the corporation. He may be penalized and made to pay all of the fine set with regard to this violation.

The corporation also becomes responsible to guarantee the payment of fines passed on to its representative, or person entrusted with management of the corporation, or to any of those who work for the corporation.

Article 26. The penalties set in the Penal Law and this law is doubled for crimes committed purposely or because of great negligence in disregarding the technical criteria of design, execution or supervising the execution of construction, or in the misuse of materials. In this case it is not permitted to suspend the penalty set by the judgement.

In addition to the above, the name of the designing engineer or the supervisor shall be eliminated from the register of the Engineering Union (Syndicate), and he shall be prohibited from dealing with the contractor charged with the execution of the construction for the period specified by the Court according to the circumstances of each case.

In case of purposeful action, the elimination of his name from the register shall be permanent.

Article 27. The authorities concerned must implement the judgement made to remove or correct the violations, and such implementation must be done within the period set by the administrative department in charge of organization.

If they refrain from such execution or the period lapses without the completion of such action, the administrative department in charge of organization has the right to implement the judgement itself, or to delegate that responsibility to others, and the violator bears the costs. These costs may be gotten from him through the process of administrative seizure (detention).

Part Four

General and Final Provisions

Article 28. Without violating article 5 of the Penal Law, the provisions of Part Two of this law and its regulations and enforcing acts are applicable to buildings that received building permits before the enactment of this law if such provisions do not contradict the terms of that building permit.

Article 29. The provisions of Part Two of this Law are applicable to towns or those areas considered as towns in the application of Law No. 52 of 1975 regarding Local Administration. However, they are not applicable in villages or other areas, except through an act of the Minister of Housing and Reconstruction and as a result of a request from the Governor.

It is permitted to exempt a town or village or a part thereof from the provisions of Part Two of this law, or its regulations or enforcing acts for reasons of public interest, historical, cultural or tourism purposes. It is permissible to exempt a certain building from the application of some of these provisions to realize a national purpose or an economic interest, but without affecting the rights of others.

In all such cases consideration of such an exemption must be based upon the request of the Local Municipality.

Article 30. According to the provisions of the previous article, the Committee responsible for considering petitions for such exemption and for stating the alternative conditions which would realize the public interest in cases where such petitions are approved, shall consist of:

— a representative of the Ministry of Housing and Reconstruction who is an Under Secretary selected by the Minister.

— a representative of the Ministry of Tourism, who is also an Under Secretary chosen by the Minister.

— two chairman of departments of architecture and planning and two chairman of departments of construction in faculties of engineering in Egyptian universities selected by the Minister for Higher Education. These persons shall serve two years, with the possibility for one renewal.

— three expert engineer consultants selected by the Minister of Housing and Reconstruction at the suggestion of the Engineers Syndicate Board. These persons shall serve two year terms, with the possibility of one renewal.

The Committee can seek the help of the faculties of the Research Institutes, and other bodies, and of the scientific bodies. It can also seek the help of individuals and bodies interested in studies of building production.

The meetings of this Committee are valid only when a quorum of half of its members are in attendance, and its acts or resolutions are made by majority vote. If the vote is a tie then the Chairman casts the deciding vote.

The decisions of the committee are sent to the Minister of Housing and Reconstruction who ratifies or rejects them based upon stated reasons. If he approves a decision of exemption the Minister issues a decrae that includes the alternative conditions.

Article 31. Where an exemption is granted for a specific building from the maximum height restrictions, the person applying for the license must pay a fee before receiving the building permit/license for this extra benefit from the land.

The amount of this fee will be measured according to the value of the land upon which the building is located which relates the area of the additional storeys or parts of storeys permitted by the exemption to the total area of the storeys allowed by the maximum height restrictions. The amount of the fee is then set or estimated according to the additional return that can be collected by the landlord.

This amount is initially estimated by applying information about the price of the land when a building permit is requested, and then finally estimated by the Committee in charge of setting rents, in case the price of the building falls in the meantime.

The provisions of this article are applicable to the specific building exempted from the maximum height restrictions even if such exemption occurred up to five years before the enactment of this law, giving consideration to the modification of these acts according to the provisions of the following article.

Article 32. This law ratifies and enforces acts, building permits that were approved or issued according to the provisions of Article 15 of Law No. 45 of 1962 which allowed the exemption of certain buildings from the maximum height restrictions stated in that law and its regulations and enforcing acts, and also meet these rules. All acts that do not comply with the above-mentioned rules shall be stopped by the force of law.

The provisions of the previous clause are not applicable to storeys included in the exemption if the execution of construction began

before the provisions of this law took effect. The application of these provisions does not contravene or violate the rights to damages available to some concerned parties.

Article 33. The Governor concerned issues, with the approval of the Local Council, an Act that defines the fees required for different types of designs and data presented by the petitioner for a building permit, up to ten pounds (LE 10). That act also defines the fees required to be paid for the granting of the building permit but such fees may not exceed two hundred pounds (LE 200). Those acts that define and specify fees set by specialized departments shall continue in force until other acts are issued defining them according to the provisions of this law.

Article 34. The Minister of Housing and Reconstruction approves the regulations regarding provisions of this law and this must occur within six (6) months from the date of its enactment. Until that moment all present regulations and acts shall be followed, if they do not contradict the provisions of this law.

Article 35. Law No. 45 of 1962 regarding building construction, Law No. 55 for 1964 for organizing and directing construction, and other provisions that violate the provisions of this law are hereby cancelled and declared null and void.

Article 36. This law must be published in the official Gazette, and enforced from the date that it is sealed, and considered as one of the laws of the state.

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EXECUTIVE REGULATIONS ON BUILDING STANDARDS LAW
(Decree No. 169 of 1962)

The Minister of Housing and Public Utilities

In view of Law No. 45 of the year 1962 regarding Building Standards:

And considering the approval of the State Council:

DECREES:

Article 1. The application for acquiring a license to execute the works stipulated in Article 1 of Law No. 45 of the year 1962 above mentioned shall be signed by the applicant. However, in the case of applying for a license for demolition, the proprietor or his representative shall sign it, provided that the name and surname of both the applicant and proprietor, their occupation and place of residence shall appear on the application. The following documents should be affected:

A. The receipt for fees due.

B. The whole plan of the site within which erection is to take place at a scale not less than 1:1000, and showing the building required to be constructed in proportion to this site, and the streets abutting.

C. Three copies of the plans of different stories at a scale not less than 1:100.

D. Three copies of the drawings of the facades and longitudinal sections required for the project at a scale not less than 1:100.

E. Three copies of structural drawings of foundations at a scale not less than 1:100 showing loads, kind of foundations, and drawings of the roof of one story with the beams. In regard to roof trusses, details of the truss and the bearing columns or walls shall be submitted.

F. Three copies of the drawings of the sanitary and sewer systems. If the building has no access to the sewerage system, three copies of the detailed drawings of proposed drainage shall be submitted.

In regard to demolition works or plastering of existing facades and minor repairs not exceeding one hundred pounds (LE 100), which do not affect the structural side or the architectural structure it is sufficient to submit the receipt for the payment of due fees and a full description of the site attached - in case of repairs - with a statement of the works for which a license is required for execution.

With respect to applications for license alteration (of drawings according to which the license is granted), it is sufficient to submit a drawing in three copies of the part to be altered showing distinctly such alteration. However, for minor alterations due to execution circumstances of execution, such as shifting

openings or walls, provided the permitted design in its essence or the compliance of the building to the clauses of the Law or the structural design is not affected - then it would suffice to submit the drawing (of the license) to the Administrating Authority to approve the alteration on it and on the drawing of the license kept in its possession.

The Administrative Authority shall decide on the application for the license within the forty days specified by Article 2 of the Law No. 45 of the year 1962. As for plastering, strengthening and altering the drawings according to which the license is granted, the application for the relevant license shall be decided on within a period not exceeding 15 days from the date of submission.

A preliminary approval from the Administrative Authority could be obtained on the building project regarding the accordance of its design with the conditions and clauses of Buildings Regulation Law and its Executing Decrees, with a view to preparing the project (design and drawings) according to which the building will be executed.

The applicant submits the application for the preliminary approval attached with the receipt of fees due and the drawings stipulated in B, C and D with a scale not less than 1:200.

This preliminary approval is not considered as a license for erecting the building of the envisaged project.

G. A statement from the applicant that he would use the building materials specified in the list enclosed is required unless the building is erected to serve the needs mentioned in the Article 26. As regards demolition in execution of the decisions of the appointed Committees or verdicts issued in accordance with the Law No. 656 of the year 1954, it suffices to notify the Administrative Authority of the time appointed to execute the decision or the verdict on a special form set for that purpose.

Article 2. The breadth of streets and relevant approved levels in front of the building facades should be stated in the license.

Article 3. It is not permitted to execute any erection works in between sunset and sunrise, unless a permission is obtained from the Administrative Authority.

At all events it is not allowed to drive in pile foundations, mixing or moulding concrete between sunset and sunrise.

The execution of demolition, erecting or building foundations should take all required precautions to ensure the safety of neighborhoods and their property and to protect labourers, passers, streets and whatever networks and installations belonging to Public Utilities set into the ground. The Licensee shall - in case of suspending work for a period exceeding three months - notify the Administrative Authority by a registered letter of the fact of its resumption.

Article 4. It is not permitted to erect a building unless it abuts a public or private road. By a private road is meant - in agreement with the provisions of this Article - any vacant space allocated to join one or more buildings to a public road if the building or the buildings abut a public road.

However, the vacant space allocated as a court could be considered according to the Administrative Authority's approval as a private road, if its breadth is not less than the minimum specified in Article 7 of this regulation for a road and the buildings abutting it are in accordance with the regulations of this regulation.

Article 5. With regard to buildings erected on both sides of the road, whether private or public, the total height of the facade should not exceed one and a half times the distance between the two limits, if parallel, and not more than 34 meters. The heights aforesaid are measured in the middle of every facade from the sidewalk level, if available, otherwise from the surface level of the road axis.

Nevertheless it is permissible that the height of the facade on the building line reach 10 meters if the breadth of the road does not permit it, provide that the clauses in Article 7 of this Code are observed.

If the two limits are not parallel, the height should be one and half times the average distance between the two limits of the road before the facade and at right angles to it.

It is permitted to exceed the height inside an imaginary plane forming an angle inclination 3 vertical: 2 horizontal with the horizontal plane passing by the extreme end of the permissible height in proportion to the street breadth and beginning at the line of intersection of this plane with the vertical plane passing by the building facade, within an additional height of 7 meters only; then a second imaginary plane making an angle of inclination 1 vertical; 2 horizontal with the horizontal plane passing by the top end of the additional height and beginning from the line of intersection of this plane with the vertical plane passing by the facade of the aforesaid setback.

Article 6. If the building lies on a junction of two streets at right angles but having two different widths, it is permitted that the height of the building facade abutting the narrower street reaches the permissible maximum height in proportion to the broader, within a length to the breadth of the broader measured from the point of the angle at the junction of the narrower width the approved building line on the broader, on condition that this height should not exceed 30 meters and the distance between the axis of the narrow street and the building limit shall not be less than 1/8 times of the height of the highest building facade abutting it. If this distance is less than the mentioned extent, it is permitted to make a setback of facade buildings as much as the difference. The setback begins above the permissible authorized height in proportion to the breadth of the narrower street as stipulated by the previous Article. The corner of the building on the narrower street is exempted from the aforesaid setback a distance of 12 meters measured from the point of the angle at the junction of the narrower street with the approved building line on the broader street.

If the building lies on two unjoined roads or two joined roads at the site of the building but not at right angles, it is permitted that the height of the facade on the narrower road reaches the permissible maximum height on the broader, if the depth from facade on the broader is equal to its breadth and in accordance with the conditions stated in the previous paragraph. If the depth of the building exceeds the breadth of the broader road the height of the building is determined in conformity with the previous Article, assuming a vertical plane exists within a depth equal to the breadth of the wider road, beginning the measuring from the two streets intersection at that vertical plane.

If a building lies on a public road whose breadth when building differs from the breadth mentioned in the decree or decision approving its alignment lines, the height should be measured according to the breadth in that decree as long as procedures for the execution of the amended decree on alignment lines are actually taken, else the height is measured according to the actual breadth of the road.

Article 7. It is not permitted to erect any building abutting a public or private road which is less in breadth than 6 meters unless the building facade is set back from the road limit for a distance equal to the difference between the breadth of the existing road and six meters, provided that the height of the building facade and the projection out of it are fixed, as permissible on a road six meters wide. No erections whatsoever are permitted on that setback space.

Article 8. The Governorate Council has the authority to issue a decree dividing any town into zones regarding the height of buildings as follows:

FIRST CATEGORY: The maximum height of the building facade does not exceed one and half times the distance between the two road limits;

SECOND CATEGORY: The maximum height of the building facade does not exceed one and a quarter times the distance between the two road limits;

THIRD CATEGORY: The maximum height of the building facade is equal to the width of the road.

For all cases the maximum height of the building facade shall not exceed 35 meters, and the setback must be permissible according to regulations in Article 5.

Article 9. The Governorate Council is authorized to issue a decree permitting the exceeding of the maximum heights stated in Article 5 for certain streets or specified zones of any town, and within a permissible height in proportion to road breadth, on condition that the volume of the buildings in all stories measured from road level, in cubic meters, does not exceed the following:

A. Twenty one times the built area of the lot within the zones of FIRST CATEGORY stated in the previous Article;

B. Fourteen times the built area of the lot within the zones of SECOND CATEGORY mentioned in the previous Article;

C. Seven times the built area of the lot within the zones of THIRD CATEGORY stipulated in the previous Article.

Article 10. It is permitted to exceed the approved heights stipulated in the previous articles regarding stairwells, elevator mechanism chambers, water tanks or air-conditioning apparatus by five meters, and by one meter for balustrades and decorative purposes, on condition that the use is strictly limited to these ends.

It is permitted in buildings assigned for worship, governmental buildings and Public Local Council buildings to exceed the previous heights regarding domes, ornamental towers and minarets on approval of the Local Council concerned.

Article 11. In all residential buildings, the clear internal height measured between floor and ceiling shall not be less than 2.7 meters. This height could be 2.3 meters in case of chimney-pieces, corridors, entrances, garages, laundry rooms and guard and service rooms, on condition that any of these cases does not constitute it its structure an independent residential unit.

It is also permissible that this height be 2.1 meters in cases of bathrooms and water-closets.

Article 12. Every unit of the building shall have openings for ventilation and lighting overlooking a road or a court according to conditions

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stated in this Decree. The area of the opening should not be less than the following:

A. 8% of the floor area in rooms assigned for residential purposes or offices and for stairwells. In case of stairwells there shall be openings for ventilation and lighting in every story beginning from the virst story above ground floor;

B. 10% of the floor area in kitchens, bathrooms and water-closets, provided not to be less than 0.5 square meter. The area of the opening is measured according to the distance between the wooden or metal cadres.

It is permitted to make these openings in the roof on condition they are in contact with the outside clear space.

As regards stairwells, a clear space equal to the required area should be ensured between the flights, the stairwell area should be measured according to the floor area multiplied by the number of stories.

If the building unit is not assigned for residential purposes and could not be directly in contact with outer space, it is permitted to substitute artificial ventilation and lighting on approval of the Administrative Authority in charge.

Halls, corridors, lobbies, elevator mechanism chambers, elevator-wells, service lobbies are exempted from these regulations.

Article 13. Courts assigned for lighting the building in cases of erecting or heightening shall be in accordance with the following conditions:

FIRST: Inner court which is in contact with outer space . above and surrounded with walls from all sides and assigned for lighting and aerating residential rooms or officies shall be of an area not less than the square of 2/5 times the maximum height of the building overlooking it. The least length of its limits should not be less than 2.5 meters and its minimum area not less than 10 square meters.

SECOND: As regards on outer court - that is the court in contact with outer space from above and from one side or more and assigned for lighting and aerating residential rooms or offices - the least of its limits should not be less than 1/4 times the highest facade of the building overlooking it, provided it is in contact with outside road for the complete breadth of the court; and this length shall not be less than 2.5 meters.

As regards courts assigned for lighting and aerating building units not assigned for residential purposes, such as kitchens, bathrooms, waterclosets, and staircases, the minimum distance should not be less than 2.5 meters and its area not less than 7.5 square meters if the highest facade of the building appurtenant to it does not exceed 10 meters; or should not be less than 10 meters if the highest facade overlooking it does not exceed 20 meters; or not less than 12.5 square meters if the highest facade is more than 20 meters.

In case of hotels, hospitals and public buildings, it is permissible that the court assigned for aerating bathrooms and waterclosets attached to rooms should have an area of 1.5 square meters, and the minimum of its length or width shall be one meter.

The above mentioned distances are measured from wall surface to opposite wall surface at the level of one meter above floor level for every

opening using the court and overlooking it and in mid-distance of the opening in the plan.

Article 14. Spaces left in contact with neighbors are considered as outer courts on condition that they are connected with outer air from one or more sides, if residential rooms open onto them and have no other openings onto a road or a regular court. If residential rooms or any other building unit have more than one opening in more than one wall, one of these openings should be overlooking a road or a regular court.

In any of the cases aforesaid, it is permitted to effect setbacks of walls on building facades looking onto public or private roads with a view to ensure the lighting and aeration of residential or other units of the building that cannot be directly aerated from the road or the court. In such a case the depth of the setback shall not exceed the double of its least breadth and the opening shall not be in the side directly opposite to the road or court. It is also permitted to construct uncovered balconies in the setback within half the least breadth only.

It is not permitted to cover any of the courts in any way. It is permitted to make balcony-windows in inner and outer courts on condition that their projections do not exceed 0.30 meter. It is also permitted to erect uncovered balconies or open verandas in front of openings on courts or road outside the surface that should be ensured for the court, on condition that their depth does not exceed the height between floor and ceiling and the surface area of the opening to the room in front is not less than the area required for a room having an area equivalent ot that of the room and veranda or balcony together.

It is not permitted to erect secondary staircases, elevators or any other constructions which will diminish the amount of light or air in the courts, or reduce its dimensions or area less than the minimum limits stipuated in Article 13.

It is permitted to exceed the height of the building facades overlooking inner and outer courts in accordance with the regulations stipulated in the last paragraph of Article 5.

It is also permissible to exceed the height of the building facade looking onto outer and inner courts to the permissible amount stated in Article 10.

Article 15. Neighboring owners may agree to have joint courts fulfilling the conditions stipulated in Article 13. These joint courts shall not be separated except by a fence not preventing light and air, provided that the height of such a fence shall not exceed 3 meters including the wall in which the fence is constructed, and the height of this wall shall not exceed 1.8 meters. The owners shall register this agreement.

In the case of joint courts serving more than one building owned by the same person, or in the case of allotting a portion of a piece of land to serve as a court for a building owned by the same person, these courts shall be registered for the benefit of the buildings (at the Land Registry Office).

Article 16. Projections in the building facades erected on the limits of public or private road are not permissible unless according to the following conditions and positions:

A. In buildings erected on the alignment line in approved roads and on the building line in private roads or roads having no approved alignment lines, it is permitted that the

plinth of the building does not project more than 7 centimeters, on condition that the height of the plinth does not exceed 4 meters from the side walk level.

B. It is permitted to make a cornice or balcony-window sill at the ground floor, on condition that it is erected at a height not less than 2.25 meters from side walk level and does not project more than 10 cms in streets from 6-10 meters wide and 20 cms in streets that exceed 10 meters in breadth.

C. In buildings erected on the road limit, the height between balcony projections or bow-window projections and side walk curbstone or street axis level in case of absence of side walk shall be not less than 4 meters.

D. It is not permitted that the projection of uncovered balconies or bow-window exceeds 10% and 5% respectively of street width; the projection in both cases will not exceed 1.25 meters and a distance of 1.5 meters shall be left between the limits of adjoining buildings without any projection of balconies or bow-windows. If the outer angle between two adjoining building facades is less than 180 degrees, a distance of 1.5 meters shall be left from the middle of the angle without any projection, and on condition that the length of bow-windows does not exceed one-half the length of the building facade.

E. The highest point of bow-windows or balconies shall be inside the imaginary plane previously mentioned in the last paragraph of Article 5 towards the road.

It is permitted to project with cornices or decorative units for 25 cms in addition to the permissible projections with respect to road width as stipulated in paragraph (d) of this Article or from the facade in places not permitted to project with balconies or bow-windows and in facades overlooking outer courts.

Article 17. In the process of constructing shops at the ground floor of the building a water-closet shall be supplied for the use of the workmen and owners of the shops.

Article 18. All buildings comprising 20 residential rooms or more shall be provided with a dwelling for the guard, supplied with a private water-closet and a lavatory. A hall is considered as a room for residence for this purpose.

All buildings comprising 20 dwelling units or more shall be furnished with a sanitary method for garbage collection and removal approved by the Administrative Authority.

Article 19. Buildings in which the height of the highest floor level exceeds 18 meters from road level, shall furnish the tenants with access to the public street by means of two independent staircases. Buildings in which the height of the highest floor level exceed 27 meters, shall be furnished with a pipe of not less than 2 inches diameter, not joined to the main water source, extended along the height of the building, provided with a valve on each floor and accessible to be used for fire extinguishing purposes, and in accordance with specifications established by the concerned Authority.

Article 20. In case of constructing water tanks on top of the building to ensure potable water supply, the following regulations shall be taken into consideration:

A. Water tank floor level is at least 3 meters higher than the highest roof of residential units.

B. The tank is made of non-rusting materials or building material or waterproof concrete. Floor and walls shall be covered with ceramic tiles.

C. Tanks shall be supplied with a tight lid not permitting water contamination. Valves and other equipments shall always be in good condition.

Article 21. Every dwelling unit shall be supplied with an independent water-closet not less in dimensions than 1.2 x 0.8 meters, and with a lavatory. In buildings not joined with public main sewer lines, sanitary means for refuse disposal approved by the Administrative Authority, shall be provided as a substitute system.

Article 22. It is not permitted to install sanitary equipment in besements the level of which does not allow easy disposal to the main sewer unless a mechanical lifting system approved by the administrative authority is adapted.

Article 23. Stairs shall be erected according to the following specifications:

A. Steps shall be made of uncombustible material;

B. The apparent length of measured steps shall not be less than 65 cms long each in private dwellings assigned for one family's residence and shall be continuous between stories, and shall not be less than one meter in multistory buildings and not less than 60 cms for secondary stairs.

By apparent length is meant - under this Article - the free length of the step between the wall and the outer face of the balustrade.

C. The slope of the main stairs shall not be more than 4:5 and the rise not more than 18 cms. The step of the secondary stairs shall have a slope not more than 1:1 and the rise not more than 20 cms.

D. The number of consecutive steps in one flight shall not be more than 14 followed by a landing the breadth of which shall not be less than the breadth of three steps. For circular stairs, they shall be according to the specifications stipulated in points A,B and C and the slope is measured at a distance of 45 cms from the end of step at inner curve.

Stairs for particular industrial purposes, and of towers and minarets are exempted from the above mentioned specifications.

Article 24. It is permitted to erect buildings with a specified purpose and within a limited period not exceeding one year.

The Administrative Authority is entitled to renew this period on demand two months at least before the expiration date. The applicant shall be notified by a registered letter of the approval or refusal of the application, within one month from the date of submission. Otherwise, the application is considered as approved.

The erection and specifications for the temporary buildings shall be in accordance with stipulations and on sites approved by the Governorate Council concerned.

Article 25. In the course of building construction works, temporary water-closets shall be erected for the use of workers, according to approved sanitary conditions, with at least one water-closet for every 50 workers.

Article 26. The Governorate Council has the authority - within some streets and zones as fixed and decreed by that Council:

1. To specify a certain design, a certain color, or a certain material regarding the outer appearance or the construction of the building;

2. To stipulate allotting buildings for residential purposes or industrial or commercial purposes or otherwise;

3. To fix distances for the setbacks of buildings behind the approved alignment street lines;

4. To establish distances to be left between the building and the land boundaries to the extent estimated by the Governorate Council;

5. To oblige applicants for building to erect places for sheltering vehicles the area of which is in proportion to the purpose the building is erected for;

6. To bind applicants for building to erect porches or open alleys within the road limits on their property at the ground floor according to stipulations stated in this decree. The width of the street according to which the maximum height of the building is fixed - in case of erecting porches or open alleys within the road limits - shall be the clear distance between the outer facades of porches or alleys;

7. To oblige applicants for building to observe a certain height for basements and every story of the building;

8. To fix a minimum dimension for the lengths of the piece of land abutting the streets on which building is permitted;

9. To specify certain unalterable distances for projections or forbid projections on building facades;

10. To set a maximum limit for the building heights erected within these zones or streets.

The Governorate Council has also the authority, by virtue of decrees issued in this respect:

A. To specify the buildings that shall comprise a place fit for use as an air-raid shelter and to impose relevant stipulations for such places;

B. To specify the buildings that shall include a place at the ground floor for public electric installations according to the dimensions and specifications set by the Administrative Authorit in charge for distributing electric current, against a fair compensation to be paid to the owner throughout the duration of that use.

Article 26. The use of building materials stated upon the enclosed table is only for public buildings and buildings for hygienic, educational, religious, tourist, social, sports and recreational purposes.

Article 27. This decree takes effect from the date that Law No. 45 of the year 1962 takes effect.

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MAADI DEVELOPMENT COMPANY SALES CONTRACT

Article 1. The sale referred to in this contract is only for the land, free from buildings. The Company keeps for itself the right of possession of all buildings, foundations and other things which may be found on the land that is sold. It also retains the right to remove such things.

Article 2. Every building constructed on each piece of land that is part of the subdivision shall follow building conditions as referred to in Law No. 45 of 1962 (building standards) and Law No. 52 of 1940 (subdivision standards). These conditions shall be enforced by an implementation board for the subdivision. The buyer must buy building drawings from the Company before starting to build. He must also get the necessary building permits from the proper administrative authority before starting to build.

Article 3. It is not permitted, in any case, to divide any piece of land in the subdivision, either by the present owners or their successors through purchase, inheritance or any other means.

Article 4. It is not permitted to construct more than one building upon a single parcel of land. It is also not permitted for the buyer or his successor to construct huts or wooden or tin garages or any building of mud bricks or any other constructions which may disfigure the beauty of the area or disturb other owners in the neighborhood. These principles shall be carried out according to the following conditions:

a. It is not permitted to reduce the distance between buildings on neighboring pieces of land to less than four (4) meters with regard to Area No. A and 4.5 meters with regard to Area No. B and six (6) meters with regard to Area No. C.

It is also not permitted to reduce the distance between the farthest limit of building and the street line of the plot to less than three (3) meters in all areas.

It is not permitted to construct towers unless they fit within the maximum height allowed for a building. It is only permitted to have a room for necessary decorations and uncovered balconies with an area not more than ten percent (10%) of the surfaced cover area of the building, provided that the appurtenance does not exceed one-half meter for Area No. A, three-quarters of a meter for Area No. B and one meter for Area No. C.

b. The buyer shall leave a distance free from all buildings with a width of that area not less than three (3) meters from the building that he constructs (that is the main building, facades or the utilities) and the wall or walls that are adjacent to the streets.

c. It is not ever permitted to set up garages in the free areas. Garages should be under the main building, that is on the ground floor or basement level.

Article 5. It is completely prohibited to establish any industrial installations of any type on the parcel of land. It is also prohibited to use the building as a hotel, hospital, restaurant, place of entertainment, cinema, cafe, factory or for any other commercial or industrial purpose.

Article 6. It is not permitted for the height of the walls to exceed one and one-half meters whether these walls are on the street between pieces of land, and should be made as a base of buildings with a height not more than fifty percent (50%) of that of the building itself. (if so wanted).

Article 7. The buildings shall not occupy more than fifty percent (50%) of the area on which they are constructed. The rest of the area shall be left as garden.

The height of the buildings by any means and for any reason should not exceed the following:

1. concerning Area A, three floors with a maximum height of thirteen (13) meters.

2. concerning Area B, four floors with a maximum height of sixteen (16) meters.

3. concerning Area C, seven floors with a maximum height of twenty-five (25) meters.

It is prohibited to establish any buildings which exceed these stipulated heights.

For its interests and also the interests of the other owners in the New Maadi area, the Company stipulates that it shall have the final right to compel the buyer or his successors to destroy all of the building which exceeds the permitted heights.

Article 8. It is not permitted for the buyer to start building before the ratification of the designs for the buildings which must have begun construction within one year. These designs should be presented to the Company containing all specifications required for a structure meeting health requirements. Such elements, including basins, fountains, water and sewer facilities, shall be pointed out in the designs.

The Company has the right to supervise and control the construction during the period of execution and checking it finally before the housing is approved. The w.c.s shall be supplied with sewer connections and water by the Company.

Sewerage shall be delivered to a dissolving container/septic tank outside of the building. Air independent tubes shall be used for this container and the wells or drainage trenches connected to it according to technical considerations. Sewerage tubes shall not be structured.

All of the delivery tubes shall be made from fragile iron four (4) inches in diameter and shall be raised higher than the level of the buildings by at least one meter.

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The representative of the Company has the right, at all times, to enter the site and check the structure with regard to such health considerations, especially all places having mosquitoes and flies. The buyer is committed to implement all the instructions that are issued to him to avoid such health problems.

All the tubes shall be structured outside the walls and the basins are delivered to the septic tank and the inspection rooms.

The drainage tubes connected with the general tubes and the basin shall be fragile iron and tied together by lead or dried clay fused in cement.

All the coverings of the inspection rooms shall be lightly covered and fastened in place with two nails from a metal which is not fragile. It is not permitted to open the coverings for any reason unless a representative of the Company is present.

The buyer shall maintain these health structures and if the container or the drainage trench becomes defective then the buyer is obliged to build a new container or drainage trench after the ratification of its site and the detailed specifications by the Company.

The Company has the right at any time to compel the buyer to make any modifications or corrections or new building for the sake of public health.

Article 9. The buyer is committed to pay insurance amounting to ten pounds (LE 10) to the Company with the design. This is considered as insurance for the removal of the remaining parts of buildings. In case of their completion after the completion of his building, the Company has the right to remove them at its own expense, subtracting the cost from the mentioned insurance. The buyer is prohibited from obstructing the main road with heaps or piles of the building materials.

Article 10. It is completely prohibited to construct stables for horses or chicken-houses or structures for any other domestic animals, or to allow advertisements for propaganda or other purposes even if they are for the private interests of the buyer. Generally speaking, this prohibition is applicable to all tame animals and birds which cause unrest among the residents of New Maadi.

It is not permitted to throw garbage or residue from the garden or other substances into the street. They shall be placed in an iron container which is not subject to rust and which has a tight covering and which is easily transported and can be put in the garden.

Article 11. The provisions contained herein are considered as basic stipulations for sale without which the Company would not have contracted to sell. These provisions state real rights of easement on the parcel of land sold for the benefit of the other lands in New Maadi. These rights follow the sold land when the latter is transferred to another owner.

Therefore, the buyer or his successor does not have the right now or in the future to give up these rights of easement. Every concession of that type is considered null, void and completely ineffective.

The Company is not committed in stating such easements on the other parts of the subdivision. On the contrary, it has the right to free/exempt the other parts from all or some of the mentioned rights of easement/servitude.

Article 12. The Company or he who replaces it has the right to compel the buyer or his successor, at any time, to follow the restrictions stated here, otherwise the buyer will be compelled to execute them by all legal means without violating the right of the Company to sue for damages.

Article 13. The two parties agree to be under the jurisdiction of the Court of First Instance in Cairo with regard to any violation of these conditions on the part of the buyer or his successor and, particularly, in the case of a petition regarding the destruction of buildings that exceed the permitted height or the closing of shops or other places which open in violation of the aforementioned conditions and also in judging suits for damages.

The two parties agree at the setting of damages at one hundred pounds (LE 100) per month for every violation that is a penal condition that is unchangeable. The buyer guarantees that his successors will become liable as his successor in such instance.

Article 14. From this moment on, the buyer waives his right regarding any sale that occurs between the Company and others, that is he finally waives all rights in the future with regard to his interest or the interest of his successors concerning a later sale of the adjacent parcels whether these later sales are made by the Company or by its successors.

Article 15. All the rights of the Antiquities/Monuments Department are explicitly reserved in cases where parts of monuments, writings, medals, precious materials, etc. are found. The buyer shall inform the Government about such finds immediately and the Government has the right to dispose of such things as it wishes. The buyer has no right to demand them or their value or any damages regarding their finding.

Party of the First Part (Seller)	Party of the Second Part (Buyer)

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EXPRORPIATION

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EXPROPRIATION FOR PUBLIC PURPOSES
(Law No. 577 of 1954)
(as amended by Law No. 13 of 1962)

IN THE NAME OF THE NATION
THE PRESIDENT OF THE REPUBLIC,

In view of the Constitutional Proclamation issued on February 10, 1953 by the Commander-in-Chief of the Armed Forces and Leader of the Army Revolution;

The Constitutional Proclamation issued on June 18, 1953;

Law No. 5 of 1907 concerning expropriation of real property taken for public purposes before courts, as amended;

Decree-Law No. 94 of 1931 inserting new provisions as regards expropriation for public purposes;

Law No. 384 of 1953 amending certain clauses related to the jurisdiction of the Cabinet Council;

The decision of the Council of State;

And in virtue of what was submitted by the Minister of Public Works and of the consent of the Cabinet Council.

DECREES THE FOLLOWING LAW:

Chapter 1

ON STATING PUBLIC PURPOSE

Article 1. Expropriation of real property for public purpose and compensation in consideration of such expropriation shall be carried out in accordance with the provisions of this Law.

Article 2. The stating of the public purpose is to be made by virtue of a decree issued by the Minister concerned, together with the following:

a. A note designating the project as one subject to consideration as one having a public purpose.

b. A general plan of the project.

Article 3. The Decree stating the public purpose has to be published, together with a copy of the note mentioned above, in the previous Article, in the Official Gazette and posted up on the bill-board of the province or governorate as the case may be and in the Mayor's office or the Police headquarters and in the court of first instance within whose jurisidction the real property lies.

Article 4. Immediately after the act of publishing stated in the previous Article, the representatives of the Department authorized to execute expropriation have the right to have access to the real property taken for the public purpose works as recorded in the general plan of the project as to long term projects, in order to carry out technical and surveying works, to install markers and obtain necessary particulars about the property on condition that entering the premises is done after notifying concerned parties by a registered letter.

Chapter II

ON RECORDING PROPERTIES, PUBLISHING PARTICULAR PLANS AND TRANSFERRING OWNERSHIP

Article 5. Registering of land and constructions decided to be taken for a public purpose are carried out by a committee consisting of a delegate from the Department authorized to execute expropriation procedures, one of the local members of the Administrative Authority and the tax collector.

Before carrying out the aforesaid recording, a notice fixing the date of execution is posted up on the billboard of the province or governorate as the case may be and in the Mayor's office or the Police headquarters. Also all concerned parties should be notified of the aforenamed date by a registered letter with acknowledgement receipt. All owners and rightful claimants should appear before the committee at the site of the project to provide information for guidance about their properties and claims. The committee will draw up a report designating these properties, names of owners and rightful claimants, their places of residence, according to the information given on their sites with a view to their identification. These particulars should be in agreement with the official property Registers and other references.

The recording statement is signed by the committee members and all attendants in recognition of the validity of the information. If however any of the parties concerned refuses to sign, this fact and reasons of refusal should be stated in the report.

Article 6. The Department authorized to execute expropriation procedures has to prepare lists, drawn from the recording /registries, showing the estates and constructions that have been recorded, their areas and locations, names of owners and claimants, their places of residence, and the compensation estimated to be paid for them.

These lists together with maps of the locations of the properties are published/posted in the Head Office of the Department and its subsidiary office in the capital of the province or governorate and in the Mayor's office or Police headquarters for a period of one month. The owners and claimants are notified of this posting by a registered letter with acknowledgment receipt.

Before publishing, an advertisement is put in the Official Gazette and in two daily newspapers with wide circulation. It shall include the description of the project and the

dates fixed for publishing the lists and the maps in the previously mentioned places. At the same time owners and tenants are notified of the requirement of evacuation of the premises within a maximum period of five months.

Article 7. Owners and holders of rights concerned are entitled within thirty days from the expiration date of publishing the lists stated in the previous Article to object to the statements recorded on them.

Objections are submitted to the Head Office of the Department authorized to execute expropriation procedures or its subsidiary office at the capital of the province or governorate within which jurisdiction the project lies. If the objection concerns a claim on a property in the aforesaid lists, documentary evidence, date of registering these claims and registration number should be attached. This documentation should be given within 90 days of the submission. For lack of such, an appeal is considered null/non-existent and the expropriating authority may, if it judges it necessary, reclaim from the interested parties, those complementary documents. Such a reclamation must be in writing and demanded at a single time, with the setting of an appropriate date for their deposit.

Appeals concerned exclusively with the amount of the compensation must be accompanied by a postal money order having the value of two percent (2%) of the increment stated in the appeal, on the condition that the sum shall not be less than fifty piasters and shall not exceed ten pounds (LE 10). The appeal is considered null and void if these charges are not fully paid. In all cases, the appeal shall include the address at which the party concerned shall be notified.

Article 8. All data concerning properties and claims recorded on the lists shall be considered final if no objections are submitted within the period stated in the previous Article. They are not liable to appeal or claim against the expropriation authority concerned. The payment of the amounts of compensation recorded on the lists to the persons whose names figure therein will be considered as an obligation of the expropriation authority regarding all claimants.

Article 9. Rightful claimants against whom no objections are submitted shall sign special forms for transferring their property to the public authority. Regarding properties for which the signatures on the mentioned forms are not available for any reason, a decree of expropriation is issued by the Minister concerned, and the forms or the ministerial decree are filed with the Real Estate Publicity Department. This depositing will have, regarding the properties mentioned within, the same legal effects as the registration of title deeds.

In pursuance of the first paragraph, guardians and administrators entitled to sign for totally and partially incompetent persons and administrators of Waqf properties entitled to sign for the Waqf that he represents, can do so without having to get special authorization from the family or law courts. However, they are not permitted to receive the compensation unless they have obtained permission from the competent authority.

Article 10. If the forms or the ministerial decree are not deposited as stated in the previous Article within a period of two years beginning from the date of publishing the decree declaring the public purpose in the Official Gazette, the decree concerning properties in relation to which forms or a decree are not deposited becomes null and void.

Chapter III

ON SETTLING APPEALS

Article 11. The Department authorized to carry out expropriation procedures should inquire into the objections submitted by claimants as stated upon in Article 7 in order to decide the payment of the due compensation. The payment in this case will be at the department's responsibility.

If, however, the payment of the compensation is prevented for any reason, the department should notify the persons concerned by a registered letter with acknowledgment stating the reasons for non-payment and all conditions that should be performed by them. All the sums contested are held in trust by the department until the payment conditions are fulfilled.

The aforesaid notification is considered as a matter of duty of the department, concerning the due compensation for the non-utilization stated in the chapter regarding taking of the property.

Article 12. The Department authorized for expropriation will send the submitted appeals concerning the compensation value within fifteen days starting from the date of expiration of the period stated upon in Article 7 to the Chief Judge of the Court of first instance in whose jurisdiction the real property lies. He will refer it within three days time to the judge appointed to be the Head of the committee for settling these appeals. The office of the Clerk of the Court will notify the department and all persons concerned by a registered letter with acknowledgment, of the date fixed for the hearing of the appeal before the committee.

Article 13. The committee assigned for settling appeals regarding compensation is presided over by a judge appointed by the head judge of the court in whose district the property lies. The membership consists of two technically trained government employees, one of them from the Survey Department, the second from the department for expropriation, both appointed by the Minister of Public Works, with approval of the Minister concerned.

The committee will decide the appeal within a month period beginning the date of its receipt by them.

Article 14. Both the department authorized for expropriation and the parties concerned have the right to appeal the decision of the appeals committee before the court of first instance in whose jurisdiction the property lies within fifteen days from the date of their notification of the aforesaid decision. The court will examine the appeal as a matter of urgency and its verdict is final.

Article 15. Objections concerning amount of compensation do not prevent the persons concerned from obtaining the sums

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estimated by the department. If payment is impossible for any reason these sums are held in trust by the department. The persons concerned shall be notified of this fact by a registered letter with acknowledgement of receipt.

The payment of the compensation to the persons concerned or their notification of the impossibility of payment is a matter of duty for the department responsible for expropriation as regards the compensation for the non-utilization stated in the requisition chapter.

Chapter IV

ON TEMPORARY OCCUPATION OF REAL PROPERTY

Article 16. The expropriation authority has the right to compulsory acquisition of real property taken for a public purpose, by direct administrative execution. This is carried out by virtue of a decree issued by the Minister concerned, published in the Official Gazette and including a general statement about the property, its apparent owner's name and referring to the decree issued stating the public purpose.

Notification of the order of taking is sent to the persons concerned by a registered letter with acknowledgement in which they are granted a period of not less than a fortnight/two weeks to evacuate the estate.

As a result of publishing this decree in the Official Gazette the real property is considered assigned for public purpose.

The person originally owning the real property has the right to compensation for non-utilization, considered from the date of the actual taking until the date of payment of the compensation due for expropriation. He has the right within 30 days from the date of their notification concerning the compensation for non-utilization to object regarding this estimate. The settlement of the objection will be carried out in accordance with the provisions related to appeals to the estimate of the compensation due for expropriation and the designation of the compensation value by the department concerned within a week of the taking. The person concerned is to be notified of this fact.

It is prohibited to demolish constructions or buildings of importance before all the procedures concerning estate estimation of the compensation due are definitely decided.

Article 17. In case of inundation or collapse of embankments or spread of epidemics and all other contingent or urgent cases, the Governor may at the request of the department concerned, give an order temporarily taking property needed for the execution of restoration or preservation works or other purposes. It is also permitted in other cases to temporarily take property needed to serve public purpose projects. The taking is executed immediately after the recording of the descriptions of the estates, their names, and conditions by agents of the authorized department without taking any other measures.

The authorized department will fix within one week of the date of taking the compensation due to the persons concerned because they could not profit from the property. In case of appeal, settlement should be accordance with the provisions stated for compensation due to expropriation.

Article 18. The period of temporary taking of property estates is limited to a maximum of 3 years beginning from the date of actual occupation. This property shall be returned at the end of this period in the same condition it was been on at the time of taking. Any damage or diminution of value should be compensated.

If necessity arises to extend the three year period, and coming to an agreement with the persons concerned in this connection would be impossible, or if the property becomes unfit for the purpose to which it was assigned, the Department authorized shall take measures within enough time before the three year period expires, in order to proceed with expropriation. In this case, the value of the property should be estimated pursuant to its condition at the time of backing and in accordance with the prevailing market prices at the time of expropriation.

Chapter V

OF INCREASED VALUE ADDED TO PROPERTY DUE TO PUBLIC PURPOSE PROJECTS

Article 19. If the value of the part not expropriated due to public projects, other than development schemes within towns, increases or diminishes, the increment or diminution should be taken account of, on condition that the sum to be added or deducted should not exceed half the amount due to the owner for expropriation.

Article 20. If the value of the property to be expropriated for urban development schemes has increased due to a previously executed public purpose project the increment will not be taken into account in estimating the compensation if the expropriation has taken place within 5 years beginning from the date of the commencement of the aforesaid previous project.

Article 21. Owners of real properties acquiring an increased value as a result of public purpose works in towns without the taking of any part of that property are compelled to pay a charge for this increased value. That betterment charge shall not exceed one half of the actual expenses for constructing or widening the street or public square that caused the increased value.

One-half of the value of the expropriated real property, entered in the zones to be improved is paid; the other half will be carried in a "deposit" account under that Administration, until the presentation by the interested party of a certificate from the competent authority attesting to the payment of the betterment charge due for the real property indicated.

The previous paragraphs are valid if the expropriation for town development is only limited to a part of the property, and it seemed likely to the planning authority (Tanzim) that retention of the rest of the property by the owner does not affect the designated aims of the project.

The estimation of these expenses by the planning authority is not subject to appeal and the executing regulations of this Law shall regulate the procedures for the estimation of the increased value and betterment charges necessitated by the project.

Chapter VI

ON EXTENSION OF EXPROPRIATION

Article 22. If the aim of expropriation is to construct, extend or alter a street or public square, or to create a new district, or for any purpose concerning public health, amendment or embellishment, expropriation may require/imply - in addition to the properties required for the original project - taking of any other properties that the planning authority decides is necessary for the achievement of the project aim, or because their appearance and area - when remaining unaltered - is not consistent with the stated amendment or embellishment. It is also permissible to expropriate such other properties for achieving the aforesaid aims without their being directly linked to the public purpose project.

The planning authority is authorized - in case of expropriation for amendment, embellishment or creating a new district - to postpone the payment of the value of the compensation due for any property, the value of which exceeds one thousand pounds (LE 1000), for a period not exceeding five years, at an interest rate of 4% of the sums postponed. The interest is paid at the end of every year.

Chapter VII

GENERAL AND TEMPORARY PROVISIONS

Article 24. Real properties, parts of which are taken for expropriation, may be purchased in their entirety if the remaining part cannot be utilized. This act is performed according to an application submitted by the party concerned within the period stated upon in Article 8, or else his right in this connection is considered null. All the procedures stated in this Law are followed regarding this parcel without need to the issuance of the decree stated in Article 2.

Article 25. Buildings, plantations, amendments, or lease or other contracts are not taken into consideration, in estimating the compensation due to expropriation, if it is proved that these have been executed to obtain a higher compensation. This will not take away the right of the person concerned to demolish these amendments at his own expense, on condition that it will not have any damaging effects on the project.

Any works of this kind carried out or adopted after the publishing of the public purpose decision decree in the Official Gazette are considered as executed for this purpose and will not be taken into consideration with regard to the compensation due.

Article 26. Cancellation of suits, claims and all suits regarding real property rights do not suspend expropriation procedures nor prevent their effects. The rights of claimants are removed to that of a decision regarding amount of compensation.

Article 27. In case of delay, all amounts payable by virtue of the present law will be recoverable/collectible by means of administrative procedure.

Article 28. All sums due to be paid by persons concerned, in accordance with the provision of this Law, are subject to a duty of fifty piasters for any sum exceeding five pounds (LE 5), for stamp, size and signature duty on documents and contracts and all papers concerning verification or in support of ownership. As a result all these papers and others submitted for this purpose to the Department authorized for expropriation are exempted from all stamps, size, and signature fee due stated in all other laws.

Article 29. The present law is applicable to real property incorporated within projects already executed before it entered into effect, without the need for the decree mentioned in Articles 2 and 6. However, the time limits mentioned in Article 7 only begin to run after this law takes effect.

The decrees of public purpose mentioned in Article 10 must not be allowed to lapse if the real property to be expropriated is included in projects whose execution has been completed before or after this present modification takes effect.

Article 30. If persons concerned with the properties mentioned in the previous Article do not approve of the estimated compensation, they will have the right to appeal according to the clauses stated upon this law, within 30 days from the date of their modification by a registered letter with acknowledgement by placing the aforesaid compensation in trust at the Department. Settlement of these appeals is carried out in accordance with the provisions on settling appeals of this law.

The above provisions shall not be valid regarding compensation against which actions are brought before courts or which are referred to experts.

Article 31. The owners of estates/properties incorporated after more than five years in projects already executed, having a right to receive less than five pounds (LE 5) and have not submitted the necessary documents for receiving it - should be notified by a registered letter with acknowledgement granting them a period not exceeding two months for that purpose. If however, the necessary documents are not submitted within that time, sums due are placed in trust with the expropriation Department's treasury for 6 months. The right to these amounts will be foreclosed if the payment is not effectuated within the indicated time period, after production of the documents required.

Article 32. Law No. 5 of 1907, Decree Law No. 94 of 1931, and all provisions that contradict this law with the exception of Law No. 525 of 1954 - are hereby revoked.

Article 33. The Minister of Public Works issues the executing regulations for this law.

Article 34. It is a duty that the Ministers, each regarding his concern, shall execute this law which takes effect one month after the date of its publication in the Official Gazette.

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EXPROPRIATION FOR PLANNING PURPOSES
(Law No. 27 of 1956)
(after reviewing Law No. 577 of 1954)

PART ONE

Of the Declaration of Public Purpose

Article 1. The present law is applicable to the expropriation of residential districts to carry out their planning.

Article 2. The Council of Ministers decides upon the expropriation for a public purpose of a residential district, in view of its new planning.

Article 3. The declaration of public purpose consistent with the statement of the project and of the general planning, is published in the Official Gazette and is posted to the bulletin board nearest to that residential district, at the office of the authority in charge of the project such as the home of the mayor or at the police post under whose authority the owner falls under the new building plan.

Article 4. At least two weeks after the posting, the delegate of the authority in charge of the project will have access, after informing the occupant, to properties falling under the planning, in order to proceed to the technical or land surveying operations, setting the boundaries and obtaining all necessary information.

PART TWO

Recording/Census of Properties

Article 5. A committee composed on an official of the authority in charge of the project, an official of the local municipality and a person from the Sarraf proceeds to make a census of property and installations coming under this planning process. The inventory is announced at least two weeks in advance, by an insertion in the Official Gazette and within two daily papers with wide circulation. The notice is equally posted to the official bulletin board nearest the district involved at the central office of the authority in charge of the project, or of the bureau belonging to it, such as the home of the mayor or the police post. All owners and interested parties present themselves before the above-mentioned committee having authority over the same places to be planned, to state their claims, those which are verified by the registers of the moukallafas and other sources. The inventory is signed by the members of the committee and the assistants, for verification of the declarations contained there. A refusal to sign is recorded, with mention of reasons.

Article 6. A committee designated by decree of the Minister evaluates:

1. The existing installations upon the places instructed to conform to the plan, according to their state on the day of the declaration mentioned in Article 2.

2. The lands of the residential quarter to be planned, considered as a single bloc, according to their value on the day of the above-mentioned declaration. The residential quarter can be divided; the evaluation made, in this case, for each lot separately. The decision of the Commission is not final until after the approval of the Minister.

3. A part can be returned to each owner or interested party of the lands of the residential quarter, or of only one lot, thus a proportion of the proceeds to the price of the whole.

If the committee does not proceed to the evaluation during a period of two years after the date of the decision of expropriation, then the above declaration is considered null and void.

Article 7. In the fixing of compensation to pay, no account is paid to constructions, plantings, improvements, contracts of rent or others, if it follows that they have been made with the view to obtaining a greater amount of compensation, except the right of the interested party to remove at their expense those improvements without injuring the project to be executed.

It is considered as undertaken for this purpose all improvements that had been executed after the publication in the Official Gazette of the decision mentioned in Article 2.

Article 8. The authority in charge of the project sets up, so as to make the inventory and estimation, a list indicating the properties and the installations, their surface area and location, the names of the owners and interested parties, the share of each in the surface area of the whole of the residential quarter or of the lot, and the proportion of this evaluation with regard to the total value. The list can be set out separately for lands and installations. The plans indicating the situation of the owners are joined to the lists and deposited for a month at the principal office of the authority in charge of the project, or of a subordinate section, such as the home of the mayor or the police post. The owners and the interested parties are informed of the posting by registered letter with notice of receipt. The posting is preceded by the publication in the Official Gazette and in two daily newspapers with wide circulation, of the planning project and of the publication of the announcement for a month of the conditions and plans for the places mentioned above.

PART THREE

OF APPEALS

Article 9. Within 30 days of the expiration of the period for posting the conditions and plans, the owners or interested parties can appeal the stipulations contained therein.

The appeal is filed at the central office of the authority in charge of the project. If it is related to a right to a property represented in the conditions, it is accompanied by documents justifying that right and an indication of the date and of the number of its registration. If it is related to an estimate of compensation, it is accompanied by a postal money-order of an amount equal to 2% of the difference claimed, not less than 50 piasters or greater than LE 10. Failure to make this payment is integral to that right. The appeal is then regarded as null and void. The writ of appeal indicates in all cases the precise address of the plaintiff.

Article 10. Lacking appeals within the time limit set in Article 9, the information of lists concerning the names of the owners of properties or of interested parties shall be final. Any challenge, any claim whatever, is then no longer admissible if in opposition to the expropriation authority.

The payment by the authority of sums written down on the lists into the hands of persons who appear there will thus universally discharge its responsibility

Article 11. The expropriating authority examines the appeals presented according to Article 9, in order to decide the settlement of compensation to the interested parties, failing such appeals all payment is made under its own responsibility.

The authority notifies the interested parties, by registered letter with notice of receipt, of all hindrances to the settlement of the compensation, and of the formalities to be perfected for their appeal. The litigated sums are put on deposit nearby at the local authority until the fulfillment of the above.

This notification discharges the authority for compensation for non-use mentioned in Article 15.

Article 12. The appeal related to the fixing of the compensation does not prevent the interested parties from receiving amounts fixed by the Commission mentioned in Article 6. When for whatever reason the payment of the compensation has not taken place, the total amount is deposited in the cash box of the expropriation administration, which will inform the interested parties by registered letter with notice of receipt. The payment of the compensation to interested parties or their notification of reasons which prevent the payment discharges the administration of responsibility for compensation for non-use as mentioned in Article 15.

Article 13. The owners and holders of rights can choose one of the following methods of payment of compensation:

1. Immediate payment of the price of their portion of the lands of the residential quarter or of the lot. The expropriating authority is discharged, in this case, of all obligation, of all compensation that is due to the above parties with regard to their rights.

2. The postponed payment of the price in whole or in part of their share until the conclusion of the sale of all the parcels of the residential quarter or of the lot according to the provisions of this law. In this case, they have the right to a part of the increase in value resulting from this planning process, according to the provisions of Article 21. They can also borrow by offering as security the total amount of their share mentioned above, at the rate, formalities and conditions decreed by the Minister.

Article 14. In the absence of all opposition, the interested parties are invited to sign the form of transfer of their property. A Decree of the Minister then orders the expropriation.

The deposit of the indicated form or the decrees of the bureau of public real estate produces all the effects of the public advertising of a deed of sale as far as the properties described there.

In the application of the first paragraph of this Article, the holders of rights of parental control, the guardians and administrators sign in the name of incapable persons and administrators sign in the name of wakfs, without appeal to competent tribunals, but not touching the compensation granted after special authorization.

PART FOUR

Administrative Requisition

Article 15. The authority in charge of the project can requisition, by means of administrative execution, the properties situated in the residential quarter designated for planning, by order of the Minister published in the Official Gazette with a statement indicating the lands and the installations, the name of owners appealing/opposing the decision and reference to the decision authorizing the expropriation for a public purpose.

The decree of occupation is sent to all interested parties by registered letter with notice of receipt, and a minimum time limit of one month is granted such a party for evacuation, beginning from the date when he had been informed that the people's housing had been planned.

The publication in the Official Gazette of the order of occupation indicates assignment of the property to a public purpose.

The owner has the right to compensation for non-use of his property, after the date of his effective occupation until payment of the compensation owed him.

The installations can only be removed after final estimation of the total amount of compensation.

PART FIVE

Appeals Committee

Article 16. The authority in charge of the project, within 15 days of the expiration of the time limit provided in Article 9, sends the appeals presented against the determination of the amount of compensation, to a committee presided over by the provincial director of Auditing/ Comptroller of the district being the object of the planning or his delegate, and having for members the director of the planning (Tanzim) section of the competent municipal council or his delegate, and the most senior of the engineers of the bureau of experts of the Ministry of Justice attached to the Court of first instance to whose jurisdiction the properties are subject.

Persons who have already taken part in the evaluation process cannot be members of this committee, nor he who has a personal interest whatever it is, for his spouse, one of his parents or relatives to the 4th degree, neither also the representative, the guardian nor the administrator of all persons having an interest there.

The interested parties and the authority in charge of the project are informed 8 days in advance of the date fixed for the meeting of the committee, by registered letter with notice of receipt.

The committee decides the appeals within a month of the receipt of the documents, and informs the same parties of its decisions within 15 days of their publication.

PART SIX

Court Appeals

Article 17. The interested parties and the authority in charge of the project can appeal a decision of that committee to the Court of first instance where the property is located within 15 days of its notification. The court decides immediately upon the appeal and its decision is final.

Article 18. The acceptance of all appeals against the share does not effect the interested parties. It only results in the increase of the first evaluation. It does not influence their share in connection with the price of all of the lands of the residential quarter or of one lot, determined according to paragraph 3 of Article 16.

PART SEVEN

Sale of Excess Lands

Article 19. The authority in charge of the project has a time limit of 2 years after the decision mentioned in Article 2, for evaluating the costs of the new planning project and of the functioning of public services, and fixing the price of each lot available after the execution of the project, based upon its value after the completion of the works. The evaluation of the costs and the determination of the base price by the indicated authority are final.

Article 20. The sale of lands of the new residential quarter is carried out by public auction, based upon the price fixed in conformity with the preceding article and of provisions fixed by order of the Minister.

The lots of owners of expropriated lands and installations are excepted, they possess a right of priority to recover their base price. In order to benefit from that preference, the owner must have a share of the land or compensation for installations, evaluated by the committee provided for in Article 6, equal to at least one-third of the base price of the parcel that he wishes to buy. In case of competition between owners, the lot is attributed to him who is owed a greater amount of compensation. In case of parity of owners, the lot is sold by competitive bidding among them.

The exercise of the right of priority, governed by decree, can be practiced/used within 60 days of its publication in the Official Gazette.

Sale at the base price is authorized in favor of State administrations, municipal and provincial councils and to public institutions.

Article 21. The owners and holders of rights, having delayed taking the price of their share, in conformity with paragraph 2 of Article 13, have the right to compensation proportional to that which was related to the total evaluation of the residential quarter or of the lot, as provided for in Article 6, increased by one-half of the difference between that value and the total amount of their share according to the sale price of all of the parcels available after the execution of the project, with a deduction made for expenses incurred.

PART EIGHT

Financing

Article 22. The authority in charge of the project can finance it by means of borrowings carried out closely with banks and credit establishments, after the approval of the Council of Ministers, and according to the conditions and reservations fixed by the Minister of Finance and of the Economy, with the consent of the Minister of Municipal and Rural Affairs.

The bank or credit establishment having financed the project can give advances to owners and holders or rights, in conformity with paragraph 2 of Article 13, and such can be made to allow the drawing of the sales price of parcels of the new residential quarter, leaving aside deductions for the total amount of the indicated advances. (permits the payment of the required down payment).

Article 23. When the execution of the project is entrusted to a private individual, to a public body or to a society, this concessionary is held to be regulated by the Administration of Public Lands. He has a right equal to him who registers the sale, as for on lots which have not been disposed of during five consecutive years according to the procedure of deposits or of the decree of expropriation provided for by Article 14, calculated upon their base price according to Article 19.

PART NINE

Final Provisions

Article 24. The price of lots of the new residential quarter is recoverable from the purchasers or from the concessionary by means of administrative procedure.

Article 25. The actions of decision, of claims, and all other real actions are not regulated by the expropriation procedure, nor does it prevent their consequences. The rights of claimants are removed by the payment of compensation.

Article 26. When compensation is paid, sums greater than LE 5 returned to the interested parties according to the present law are subjected to a tax of 50 piasters, as a charge for stamp duty on the right, stamp duty on the area, and legalization of signatures on documents, deeds and other documents related to proof of ownership of the property or of rights. As a consequence, these documents and other records presented to the authority in charge of the project are stamped by stamp duty on the right, stamp duty on the area and that of the legalization of signatures imposed by other laws.

Article 27. The Minister of Municipal and Rural Affairs makes the regulations and decrees necessary for the execution of the present law.

HOUSING FUND

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ESTABLISHMENT OF ECONOMIC HOUSING PROJECTS
(Law No. 107 of 1976)

In the People's Name
by the President of the Republic

The People's Assembly has enacted the following law, and we have issued it.

Article 1. A fund to be called the Fund for the Financing of Economic Housing Projects is hereby established which will be responsible for the financing of economic housing and for supplying such housing with the necessary public utilities. The Fund shall have a separate legal status but will be affiliated with the Ministry of Housing and Reconstruction. Its funds shall be considered as public funds.

The regulation executing this law shall specify the rules that shall be followed in managing and administering the Fund for the required purposes.

Article 2. The Fund shall be managed by a Board of Directors that is composed of the following:

a. an Under Secretary of the Ministry of Housing and Reconstruction. representing that Minister, as Chairman;

b. an Under Secretary of the Ministry of Finance, chosen by that Minister;

c. an Under Secretary of the Ministry for Local Administration, chosen by and representing that Minister;

d. an Under Secretary representing the General Organization for General Services, chosen by the Chairman of the Board of that organization.

e. a representative of the autonomous Egyptian Waqf Authority, chosen by the head of its Board.

The executing regulation shall indicate the rules that should be followed by the Board. The resolutions of the Board will not be enforced, except after ratification by the Minister of Housing and Reconstruction. The The Chairman of the Board of the Fund shall represent it before a court or other bodies.

Article 3. The resources of the Fund come from the following:

a. one-quarter of the revenue collected from the sale or rental of or from fees for the use of real property owned by the Government within the boundaries of cities and villages that are subject to the provisions of Presidential Decree No. 101 of 1958 for the administration and organization of the Ministry of Finance, the Ministry of the National Economy and the Ministry of Foreign Trade and modifying some of the authority of those ministries, without violating the provisions of the Local Government Law.

b. revenues from the housing bonds provided for in Article 4 below.

c. revenues from the fees collected for granting an exemption to the maximum height restrictions for buildings set by the law regarding the management and organization of building construction. (Law No. 106 of 1976).

d. monies allotted to the Fund from the State budget.

e. monies allotted for economic housing purposes in international agreements that the State may conclude.

f. loans.

g. grants, gifts, inheritances/endowments.

h. revenues returned from investments of the Fund.

i. revenues collected in fines under the first paragraph of Article 2 of Law No. 106 of 1976 regarding the management and organization of building construction.

j. any other resources stated by Decree of the President of the Republic.

Article 4. The Treasury is permitted to issue debt instruments to be called Housing Bonds that will have a redemption period of twenty (20) years from the date of their issuance. The interest rate on such bonds is set at six percent (6%) per annum. Such interest payments will be exempt from all taxes, except inheritance taxes.

Such bonds may be redeemed after five years from the date of issuance. They may be partially redeemed after that period as a result of a vote in a public session. The complete or partial redemption of the bonds shall be at the face value of the bonds.

The bonds will be transferrable at a date to be fixed by the Ministry of Finance but not to exceed three (3) years from the date of issuance.

Article 5. Insurance companies are obligated to purchase such Housing Bonds in an amount equal to a percentage of their return from the sale of the insurance required on buildings stipulated in Law No. 106 of 1976 regarding the management and organization of building construction.

This percentage shall be specified by a decree of the Minister of Housing and Reconstruction, with the consent of the Minister of Insurance.

Article 6. The granting of permits for the construction of housing and buildings with a cost of LE 50,000 or more (excluding land) shall be conditional upon the purchase by the builder of housing bonds of a value equal to 10% of the value of the building.

Buildings constructed by the Government, local government units, general organizations and cooperative societies for the building of houses shall be exempt from the above requirement.

Article 7. The departments concerned are responsible for putting the sums collected from the sources of the Fund into the special bank account within one month of their collection. The monies thus collected are then allocated to be spent for the purposes for which the Fund was created.

Article 8. All laws and provisions that conflict with the provisions of the present law are hereby revoked.

Article 9. The Minister of Housing and Reconstruction, with the agreement of the Minister for Local Administration, shall issue the regulation executing this law within 60 days from the date that the law takes effect. This regulation shall include a list of rules that are to be followed by the Board of Directors of the Fund, define the specifications and criteria for the economic house, and specify the departments that shall construct this type of housing.

Article 10. This law is to be published in the Official Gazette and will be effective from the date of such publication. This law will be sealed with the Official Seal, and implemented as one of the laws of the State.

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EXECUTIVE REGULATIONS ON ECONOMIC HOUSING PROJECTS
(Decree No. 476 of 1976)

The Minister of Housing and Reconstruction
After Reviewing

Law No. 52 of 1975 concerning local government administration;
Law No. 106 of 1976 for the management and organization of building construction;
Law No. 107 of 1976 establishing the Fund for the Financing of Economic Housing Projects; and
Presidential Decree No. 72 of 1975 organizing the Ministry of Housing and Reconstruction.

and obtaining the approval of the Secretary of State for local government and for political and popular organizations and the opinion of the State Council,

decides:

Part One

The Board of Directors of the Fund and its Operations

Article 1. The Board of Directors of the Fund is the authority which organizes and directs its affairs. It has the right to make the decisions necessary to realize the purposes of the Fund and particularly has the right to:

a) make the general policy of the Fund which ensures the development of its resources, its investment policy, and the governing and controlling of its expenditures. The above should be performed in a strict manner.

b) suggest the methods of participation in financing the projects of economic housing, making the rules regarding each of these methods, and offering the financial, technical and management assistance necessary to the departments supervising the projects of economic housing, and defining the amounts, conditions and guarantees regarding its loans.

c) approving the plans for economic housing projects, the Fund budget, its final account, and making an annual report of the activity of the Fund and of its financial status.

d) making the rules and internal regulations concerning the technical, economic, financial and administrative affairs of the Fund and its employees, and suggesting the organization and level of staff required to carry out its work.

e) preparing information required by the Minister of Housing and Reconstruction or the Chairman of the Board of the Fund, if these topics or subjects fall within the capacity of the Fund.

f) examining the periodic reports presented by the sections of the Fund as regards their operations and the financial status of the Fund.

g) make recommendations and present studies, suggestions and opinions regarding economic housing.

Article 2. The Board of Directors of the Fund is permitted, after getting the approval of the Minister of Housing and Reconstruction, to accept grants, gifts, and inheritances that come to the Fund from individuals, organizations or national or international bodies.

Article 3. The Board of Directors of the Fund can receive loans necessary for realizing and achieving its purposes, after taking all required procedures.

Article 4. The Board of Directors of the Fund can delegate some of its authority to a committee of its members or to the Chairman of the Board. The Board can deputize one of its members to perform a specific mission.

Article 5. The Board can seek the help of research institutes, scientific departments and bodies, and also of individuals or departments interested in research and studies of housing and the economics of financing it.

The Board can send invitations to the experts to attend its sessions and participate in the debates and studies, provided that their votes in the debates and in the making of decisions will not be counted.

Any member of the Board can ask the Chairman to place a certain topic of the agenda of the Board. However, this request must be made at least one week before the meeting is to be held.

Article 6. The Board of Directors shall hold its meetings upon the invitation of the Chairman and at least once weekly. If he finds it necessary, the Minister of Housing and Reconstruction has the right to call a meeting of the Board. He also has the right to attend its sessions, in which case he becomes the Chairman.

The meeting of the Board of Directors is not valid except where at the Chairman and at least three of its other members attend. If this number is not available at the time fixed for the meeting, the meeting is postponed for not more than one week for the consideration of the subjects listed on the agenda. That meeting is valid if a majority of the members attend.

In all cases, resolutions must be approved by a majority of those attending. If the vote is equally divided then the vote of the Chairman is decisive.

The record of the debates of the Board are kept in a special book and signed by the Chairman of the Board and by the Secretary.

Article 7. The Chairman of the Board of Directors notifies the Minister of Housing and Reconstruction of decisions of the Board within seven days after they are made.

The decisions of the Board do not take effect until after they are ratified by the Minister. In cases requiring the approval of another authority, decisions do not take effect until also approved by that authority.

Article 8. The Chairman of the Board represents the Fund before a Court and other bodies. He is responsible for the implementation of policies necessary to achieve the purposes of the Fund. He is also responsible for carrying out the decisions of the Board of Directors.

The Chairman of the Board has the powers granted to chairmen of General Organizations regarding decisions and regulations concerning the employees of the Fund and its budget.

The Chairman of the Board has the authority to delegate his powers to one or more directors.

Article 9. The Minister of Housing and Reconstruction has the authority to choose a Temporary Chairman of the Board in the case of the absence of the Chairman. That Temporary Chairman shall be chosen from among the Under Secretaries of the Ministry of Housing and Reconstruction.

Part Two

The Budget of the Fund and its Accounting

Article 10. The Fund must have a separate budget and an annual accounting statement. The fiscal year of the Fund shall be the same as the fiscal year of the State. Monies necessary for meeting its expenditures shall be listed annually in the budget of the Fund.

Article 11. A special account shall be opened for the Fund in the Central Bank. Money can only be withdrawn in the form of checks that are signed by the Chairman of the Board or his delegate. That signature shall be the first required signature and that of the chief of the Accounting Division or his delegate shall be the second required signature.

Article 12. The persons responsible shall take the necessary procedures to allocate these sums and to prepare the account of expenditures and receipts for that month in the first week of every month.

Article 13. In reviewing and controlling the accounts of the Fund, the provisions of laws and current regulations as regards the audit and control of the accounts of General Organizations shall be followed.

Part Three

The Specifications and Standards for the Economic House and the Departments Responsible for Constructing Such Housing

Article 14. The economic house shall consist of one of the following:

a. one room, a bathroom and a kitchen.
b. two rooms, a bathroom and a kitchen.
c. three rooms, a bathroom and a kitchen.
d. one room, a hallway, a bathroom and a kitchen.
e. two rooms, a hallway, a bathroom and a kitchen.

The area of the housing unit shall vary from 20m2 to 60m2, depending upon the components that it contains. This area shall include any service areas, such as stairways.

Article 15. The specifications for different parts of the economic housing unit are as follows:

a. sanitation- sinks, etc.
b. plastering
c. flooring (NOT INCLUDED)
d. stairways

Article 16. The specifications provided in the previous article cannot be modified or changed except with the approval of the Board of Directors of the Fund and according to the necessary environmental circumstances and conditions.

In the case of pre-fabricated houses and other developed building methods, the specifications shall be according to similar standards.

Article 17. The Fund shall participate in the financing of economic housing projects of the following departments and bodies:

a. the Ministry of Housing and Reconstruction- its bodies, organizations, units, companies and the departments under its supervision.

b. local government units and the departments affiliated to them.

c. other bodies and departments licensed by the Minister of Housing and Reconstruction to construct such housing.

Article 18. This regulation shall be published in the Official Gazette and will be effective from the date of such publication.

MORTGAGES

EGYPTIAN CIVIL CODE BOOK IV
(Mortgages)

CHAPTER I. Mortgages[1]

Article 1030. Mortgage is a contract by which a creditor acquires, over an immovable appropriated to the payment of his debt, a real right by which he obtains preference, over ordinary creditors and creditors following him in rank, for the repayment of his claim out of the price of the immovable, no matter into whose hands the immovable has passed.

Section 1. The Constitution of Mortgages

Article 1031. A mortgage can only be constituted by an authentic document.

The costs of this authentic document are, in the absence of an agreement to the contrary, borne by the mortgagor.

Article 1032. The mortgagor may be the debtor himself or a third party who consents to mortgage his property in the terms of the debtor.

In both cases, the mortgagor must be the owner of the mortgaged property and must have legal capacity to dispose of it.

Article 1033. If the mortgagor is not the owner of the mortgaged property, the mortgage contract becomes valid if ratified by the true owner of the property by an official deed. In the absence of ratification, the mortgage is only effective from the time that the immovable becomes the property of the mortgagor.

A mortgage on property in expectancy is void.

Article 1034. A mortgage constituted by an owner whose title to the property is subsequently annulled, terminated, abolished or ceases to exist for any other reason, remains a valid mortgage in favor of the mortgagee creditor if he has acted in good faith at the time of the conclusion of the mortgage.

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1. Mortgages and Privileges are accessory real rights, ie. if the main obligation be null the mortgage or privilege produces no effect.

Article 1035. In the absence of any provision of the law to the contrary, a mortgage can only be constituted on immovable property.

The mortgaged property must be marketable and capable of being sold by public auction. It must be specifically and precisely described both as regards its nature and situation, and such description must be contained either in the deed constituting the mortgage or in a subsequent authentic document, otherwise the mortgage is void.

Article 1036. In the absence of an agreement to the contrary, and without prejudice to the privilege provided for by Article 1148 attached to sums due to contractors or to architects, a mortgage extends to the accessories of the mortgaged property which are considered to be immovable accessories, particularly to servitudes, property forming part of the immovable as a result of the use to which it is put and to improvements and other works which benefit the owner.

Article 1037. From the date of the transcription/registration of the formal summons to pay, the fruits and revenues of the mortgaged property shall be assimilated to the immovable and distributed in the same way as the price of the property.

Article 1038. The owner of constructions erected on land belonging to a third party may grant a mortgage on these constructions. In such a case, the mortgagee shall have a preferential claim for recovery of his debt on the price of the salvage value of the constructions if they are demolished, and on the compensation paid by the owner of the land if he keeps the constructions in accordance with the rules of accession.

Article 1039. A mortgage granted by all the co-owners of an immovable held in common remains effective whatever may be the ultimate result of a partition of the immovable or of its sale by auction owing to impossibility of partition.

If one of the owners grants a mortgage on his undivided share or on a divided part of an immovable and, as a result of the partition, a property other than the mortgaged property is attributed to him, the mortgage will be transferred, with its degree of priority, to a portion of this property equivalent in value to the value of the property formerly mortgaged. This portion will, upon petition, be fixed by an order of the Judge. The mortgagee shall be bound, within ninety days of the notification of the transcription/registration of the partition made to him by any interested party, to proceed with a new inscription describing the portion of the property to which the mortgage has been transferred. The mortgage so transferred shall not have any prejudicial effect on a mortgage already granted by all of the co-owners or on the privileges of co-partitioners.

Article 1040. A mortgage may be granted to secure a conditional, future or contingent debt, and may also be granted to secure an opened credit or the opening of a current account, provided that the amount of the debt secured, or the maximum amount which such debt may attain, is fixed in the mortgage deed.

Article 1041. In the absence of a provision of the law or of an agreement to the contrary, every part of the mortgaged immovable or immovables shall secure the whole of the debt, and each part of the debt is secured by the whole of the mortgaged immovable or immovables.

Article 1042. In the absence of a provision of the law to the contrary, the mortgage cannot be separated from the debt that it secures, but

depends, both as regards its validity and as regards its extinction, upon the debt itself.

If the mortgagor is a person other than the debtor, he may, in addition to the defenses that are personal to him, avail himself of those which belong to the debtor as regards the debt. He keeps this right notwithstanding the renunciation of the debtor.

Section 2. The Effects of a Mortgage

1. The Effects of a Mortgage as between the Parties

As Regards the Mortgagor

Article 1043. A mortgagor may dispose of the mortgaged property, but any disposal of the property by him does not affect the right of the mortgagee creditor.

Article 1044. The mortgagor may carry on the management of the mortgaged property and collect the fruits thereof until such time as they become incorporated in the immovable property.

Article 1045. A lease entered into by a mortgagor cannot have effect against a mortgagee unless such lease has been given an established date before the transcription/registration of the formal summons to pay. A lease that has not an established date before this transcription/registration or that has been entered into after the transcription of the summons, without payment of the rent having been made in advance, will not have effect as against a mortgagee, unless it may be considered to fall within the category of acts of good management.

If the duration of the lease entered into before the transcription of the summons exceeds nine years, the lease has effect against the mortgagee only for nine years, unless it was transcribed/registered before the inscription of the mortgage.

Article 1046. A receipt or an assignment of rent in advance for a period not exceeding three years is not valid as against a mortgagee unless it has an established date prior to the transcription/registration of the summons to pay.

If the payment or the assignment of rent is made for a period exceeding three years, it will only be valid as against a mortgagee if it has been transcribed before the inscription of the mortgage. In default of such transcription, the period will be reduced to three years, subject to the provisions of the preceding paragraph.

Article 1047. A mortgagor is the guarantor of the effectiveness of the mortgage. The mortgagee may oppose any act or omission that appreciably diminishes his security, and, in case of emergency, take all necessary preservative measures and claim from the mortgagor the expenses incurred in this respect.

Article 1048. If the mortgaged property perishes or deteriorates by the fault of the mortgagor, the mortgagee may either claim adequate security or immediate payment of the debt.

If the loss or deterioration is not imputable to the mortgagor and the mortgagee does not agree to leave his claim without security, the debtor may either furnish adequate security or pay the debt in full before it falls due. In the latter case, if the debt does not carry interest, the mortgagee has only a right to an amount equal to the amount of his claim less the interest calculated at the legal rate from the date of payment to the date of maturity.

In all cases, if acts are done which may result in the loss of or deterioration to the mortgaged property, or which may render the mortgaged property insufficient to secure the debt, the mortgagee may apply to the Judge to order the cessation of such acts and the adoption of the necessary measures to avoid the occurrence of the loss.

Article 1049. In the event of loss of or deterioration to the mortgaged property for any reason whatsoever, the mortgage is transferred, in its order of rank, to any right obtained as a result of such loss or deterioration, such as compensation, monies paid on account of insurance or payments on account of expropriation for public utility.

As Regards the Mortgagee

Article 1050. If the mortgagor is a person other than the debtor, only the mortgaged property, to the exclusion of his other property, may be proceeded against and the mortgagor shall not, in the absence of an agreement to the contrary, have the right to demand the sale of the debtor's property before the sale of the mortgaged property.

Article 1051. A creditor may, upon a summons to the debtor to pay, proceed, within the time periods and in accordance with the forms prescribed by the Code of Procedure, with the expropriation and the sale of the mortgaged property.

If the mortgagor is a person other than the debtor, he may avoid any proceedings against him by abandoning the mortgaged property, according to the procedure and the rules laid down for the abandonment of an immovable by a third party holder.

Article 1052. Any agreement, even if entered into after the constitution of the mortgage, which authorizes the creditor in case of non-payment of the debt on maturity to acquire the mortgaged property at a fixed price, whatever the price may be, or to sell the mortgaged property without observing the formalities prescribed by law, is void.

It may, however, be agreed, after the debt or one of the installments of the debt has fallen due, that the debtor transfers to the creditor the mortgaged property in payment of the debt.

2. The Effects of Mortgage as regards Third Parties

Article 1053. Subject to the provisions laid down for bankruptcy, a mortgage shall be effective as against third parties only if the deed or the judgment establishing the mortgage has been inscribed/registered before third parties have acquired real rights on the property.

The assignment of a right secured by an inscription, the right resulting from the legal or contracual subrogation into that right and the assignment of priority in rank of an inscription in favor of another creditor, are only enforceable as against third parties if they are inscribed in the margin of the original inscription.

Article 1054. The inscription/registration, its renewal, its radiation, the annulment of the radiation and all the effects thereof are governed by the provisions of the law regulating the publication of real rights.

Article 1055. In the absence of an agreement to the contrary, the mortgagor shall bear the cost of inscription, its renewal and its radiation.

The Right of Preference and the Right of Tracing

Article 1056. Mortgagees will be paid before unsecured creditors out of the proceeds of sale of the mortgaged property, or out of any monies obtained in substitution thereof, in the order of the rank of their inscriptions, even when their inscriptions are entered on the same day.

Article 1057. A mortgage ranks from the date of its inscription/registration, even if it secures a conditional, future or contingent debt.

Article 1058. The inscription of a mortgage will have the effect of automatically collocating and ranking with the mortgage debt the costs of the deed, of the inscription and of the renewal.

If the rate of interest is fixed in the deed, the inscription of the mortgage will have the effect of collocating in the same rank as the mortgage debt the interest of the two years immediately preceding the transcription of the formal summons to pay and the interest due since that date to the date of sale by public auction, without prejudice to specific inscriptions made to secure other interest that has already become due, which interest will take rank with effect as from the date of the registration of such specific inscriptions. The transcription by one of the creditors of a formal summons to pay will benefit all the other creditors.

Article 1059. A mortgagee may, within the limits of his secured debt, assign his rank in favour of another creditor having a mortgage inscribed on the same property. The defenses available against the first creditor, with the exception of those connected with the extinction of his claim when that extinction occurs after the assignment of the rank, can be raised against the second creditor.

Article 1060. A mortgagee may, upon maturity of the debt, take proceedings for the expropriation of the mortgaged property against a third party holder, unless this third party holder chooses to pay the debt, redeem the mortgage or abandon the property.

Any person is deemed to be a third party holder who acquires in any way the ownership of the property or any other real right over the property capable of being mortgaged, without being personally responsible for the debt secured by the mortgage.

Article 1061. A third party holder may, upon maturity of the debt secured by the mortgage, pay the debt and its accessories including the costs of proceedings from the date of the formal summons, and will retain this right up to the date of the sale by public auction. In such a case, he has a claim for all he has paid against the debtor and against the former owner of the mortgaged property. He may also be subrogated into the rights of the creditor who has been paid in full, with the exception of those rights relative to guarantees furnished by a person other than the debtor.

Article 1062. A third party holder must maintain the inscription of the mortgage to the benefit of which he is subrogated to the creditor, and renew it, if necessary, until radiation of the inscriptions that existed, at the time of the transcription of his title to the property.

Article 1063. If, by reason of his acquisition of the mortgaged property, the third party holder is debtor of a sum due immediately for payment and sufficient to satisfy all the creditors whose rights are inscribed on the property, each one of the creditors may compel him to pay his claim provided that his title deed to the property has been transcribed.

If the debt owed by the third party holder is not yet due for payment, or is less than the debts due to the creditors, or different from them, the creditors may, if they are all agreed, claim from the third party holder payment of what he owes, up to the amount due to them, and payment will be effected in accordance with the conditions on which he has agreed to pay in his original undertaking, and at the time agreed upon for payment.

In neither case can the third party holder avoid payment to the creditors by abandoning the property, but when payment has been made to the creditors the property is deemed to be free of all mortgages and the third party holder has the right to call for the radiation of the inscriptions existing on the property.

Article 1064. The third party holder who has transcribed his title to the property may purge the property of any mortgage inscribed before the transcription of his title.

He can exercise this right even before the mortgagees have served upon the debtor a formal summons to pay, or have served upon the third party holder any summons, and he keeps this right up to the date of the filing in Court of the conditions of sale of the property.

Article 1065. If the third party holder decides to proceed with the purge of the property, he must serve upon the inscribed creditors, at their elected domiciles indicated in their inscriptions, summons containing the following particulars:-

a. an extract of his title deed, setting out the particulars and the nature and date of the act of disposition, the name and full and precise particulars of the previous owner of the property, the situation and a detailed and precise description of the property, and, if the disposal is a sale, the price and the charges, if any, that may be considered as part of the price.

b. the date and number of the transcription of his title.

c. the sum at which he values the property, even if the property is disposed of by sale; this sum must not be less than the reserve price in the case of expropriation nor in any case less than the sum remaining to be paid by the third party holder on the price of the property if the act of disposition was a sale. If parts of the property are charged with separate mortgages, each part must be valued separately.

d. a list of rights inscribed on the property before transcription of his title. This list shall contain the date of the inscriptions, the amount of the inscribed debts and the names of the creditors.

Article 1066. The third party holder must, by the same summons, declare that he is prepared to pay off the inscribed debts up to the amount at which he has valued the property. His offer need not be accompanied by actual production of the money but must be an offer of a sum payable in cash, whatever may be the date at which the inscribed debts accrue due.

Article 1067. Every inscribed creditor and every surety of an inscribed debt has the right to apply for the sale of the property which the third party holder wished to purge, provided that his application is made within thirty days of the date of the last formal summons. This period will be increased by the additional time allowed for distance between the actual and the elected domicile of the creditor. This additional time allowed for distance shall not exceed thirty additional days.

Article 1068. The application shall be made by a summons to the third party holder and to the former owner, signed by the applicant or by his representative holding a special mandate/power for this purpose. The applicant must deposit at the "Caisse" of the Court a sum which is sufficient to cover the cost of the sale by auction, but he shall have no right to a refund of expenses advanced by him if no higher price than that offered by the third party holder is obtained as a result of the auction. The failure to comply with any one of these conditions entails the nullity of the application.

The applicant may not renounce his application without the consent of all the inscribed creditors and all the sureties.

Article 1069. When an application is made for the sale of a property, the formalities laid down for compulsory expropriation must be followed. The sale shall take place at the request of either the applicant or of the third party holder, whoever shall have more interest in expediting the sale. The applicant must mention in the notices of sale the price at which he has valued the property.

The purchaser by auction is liable, in addition to payment of the price of the adjudication and the cost of formalities for the purge, to refund to the third party holder who is dispossessed the cost of his deed, of its transcription and the cost of the summons served by him.

Article 1070. If the sale of the property is not applied for within the period and in accordance with the procedure laid down, the ownership of the property, freed from all inscriptions, shall be vested finally on the third party holder if he pays the sum at which he has valued the property to the creditors whose rank entitles them to payment, or if he deposits this sum at the "Caisse" of the Court.

Article 1071. The abandonment of the mortgaged property is made by a declaration submitted to the Registrar of the competent Court of First Instance by the third party holder who must apply for the entry of his declaration in the margin of the transcription of the formal summons to pay and who must, within five days from the date of the declaration, notify the abandonment to the creditor who is conducting the proceedings of expropriation.

The party who has most interest to expedite the sale may apply to the "Juge des Referes" for the nomination of a receiver against whom the proceedings of expropriation may be taken. The third party holder, if he applies, will be appointed receiver.

Article 1072. If the third party holder does not opt for payment of the inscribed debts, the purge of the property or the abandonment of the property, the mortgagee can only take expropriation proceedings against him, in accordance with the provisions of the Code of Procedure, after he has summoned him to pay the debt accrued due or to abandon the property. This summons shall be notified after or at the same time as the summons to pay is served on the debtor.

Article 1073. The third party holder who has transcribed his title deed and who was not a party to the proceedings in which judgment was given against the debtor to pay the debt may, if the judgment was subsequent to the transcription of his title, raise the defenses which could have been raised by the debtor.

He may, in any case, raise defenses which the debtor still has the right to raise after the judgment.

Article 1074. The third party holder may take part in the auction on condition that he does not offer a price lower than the sum that he still owes on the price of the property which is being sold.

Article 1075. If the mortgaged property is expropriated, even after proceedings for purge or abandonment have been taken and the third party holder acquires the property at the auction, he will be deemed to be the owner of the property by virtue of his original title deed and the property will be purged of all inscriptions if he pays the price for which he acquired the property at the auction or if he deposits the price in the "Caisse" of the Court.

Article 1076. If, in the preceding cases, a person other than the third party holder acquires the property at the auction, he will hold his right by virtue of the judgment of adjudication from the third party holder.

Article 1077. If the price at which the property is sold by auction exceeds the total of the sums due to the inscribed creditors, the difference in excess belongs to the third party holder; and the mortgagee creditors of the third party holder may be paid out of this excess.

Article 1078. Servitudes and other real rights that the third party holder had on the property before he acquired the property are re-vested.

Article 1079. The third party holder is liable to restitute the fruits of the mortgaged property from the date he has been summoned either to pay or to abandon the property. If legal proceedings are abandoned within three years, he has only to account for the fruits as from the day that a new summons is served on him.

Article 1080. The third party holder has, against his preceding owner, a right of action for warranty to the extent that a successor in title has against the person from whom he has acquired the property for valuable consideration or as a gift.

He has also a right of action against the debtor for payment of any sums paid by him, for any reason whatsoever, in excess of the amount due by him in accordance with his title deed. He is subrogated into the rights of the creditors discharged by him, particularly into the guarantees furnished by the debtor, but not into those furnished by a party other than the debtor.

Article 1081. The third party holder is personally liable towards creditors for any deterioration caused to the immovable by his negligence.

Section 3. Extinguishment of the Mortgage

Article 1082. The mortgage is extinguished when the secured debt is extinguished. It is revived, together with the debt, if the cause by reason of which it was extinguished disappears, without prejudice, however, to the rights acquired by a third party in good faith in the interval between the extinguishment of the right and its revival.

Article 1083. When the formalities of a purge are carried out, the mortgage is definitely extinguished even if the ownership of the third party holder who proceeded with the purge disappears for any cause whatsoever.

Article 1084. When the mortgaged property is sold by public auction as a result of compulsory expropriation proceedings taken against either the owner,

the third party holder or the receiver to whom the abandoned property was delivered, the mortgage rights encumbering the property are extinguished by the deposit of the purchase price or by payment thereof to the inscribed creditors who, by virtue of their rank, are entitled to receive payment of their claims out of that price.

CHAPTER II. Judgment Charges upon Immovable Property

Section 1. The Constitution of a Judgment Charge

Article 1085. Every creditor who has obtained an enforceable judgment rendered on the merits of the case in which the debtor is condemned to a liquidated amount, may, if he is of good faith, obtain as security for his claim in principal, interest and costs, a judgment charge over the immovable property of his debtor.

He cannot, after the death of the debtor, obtain a judgment charge on immovable property forming part of the estate.

Article 1086. A judgment charge cannot be obtained by virtue of a judgment rendered by a foreign Court or by virtue of an arbitration award until the judgment or the award has been made enforceable.

Article 1087. A judgment charge may be obtained by virtue of a judgment confirming a compromise or an agreement between the parties, but not by virtue of a judgment rendered as to the validity of a signature.

Article 1088. A judgment charge can only be obtained on one or more specific immovables belonging to the debtor at the time of the inscription of this right and capable of being sold by public auction.

Article 1089. A creditor who wishes to obtain a judgment charge on the immovable property of his debtor must submit an application to the President of the Court of First Instance in the district in which the immovable property on which he desires to obtain the charge is situated.

An authenticated copy of the judgment or a certificate by the greffier (clerk) of the Court containing the operative part of the judgment must be annexed to this application which will contain the following particulars:-

a. the creditor's surname, first names, profession, actual place of abode, and elected domicile within the town in which the Court is situated.

b. the surname, first names, profession and place of abode of the debtor.

c. the date of the judgment and designation of the Court that rendered the judgment.

d. the amount of the debt. If the debt mentioned in the judgment is not a liquid amount, the President of the Court may liquidate it provisionally and fix the amount for which a judgment charge may be obtained.

e. an exact and precise description of the immovable properties, their situation, together with documents establishing their value.

Article 1090. The President of the Court will record his order for a judgment charge at the foot of the application.

The President of the Court should, however, in giving an order for a judgment charge, take into consideration the amount of the debt and the approximate value of the immovable properties set out in the application, and should, if necessary, restrict the judgment charge to some or one only of these immovables, or to a part in an immovable if he considers that this is sufficient to secure the principal of the debt, the interest thereon and the cost thereof due to the creditors.

Article 1091. Upon the same day as the order authorizing the judgment charge is rendered, the greffier(clerk) of the Court must notify it to the debtor, endorse it on the authenticated copy of the judgment or on the certificate annexed to the application for a judgment charge, and inform the greffier (clerk) of the Court that has rendered the judgment so that he may endorse the order on any other copy of the judgment or on any other certificate that will be delivered to the creditor.

Article 1092. The debtor may lodge an appeal against the order authorizing the judgment charge either before the judge who has given the order or before the Court of First Instance.

An endorsement must be made, in the margin of the inscription, of any order or of any judgment annulling the order which has authorized the judgment charge.

Article 1093. If, either at the time of the application or as a result of an appeal by the debtor, the President of the Court rejects the application of the creditor for a judgment charge, the creditor may appeal to the Court of First Instance against the order rejecting the application.

Section 2. The Effects of a Judgment Charge, its Reduction and Extinguishment

Article 1094. Any interested party may apply for the reduction of the judgment charge to reasonable proportions, if the value of the immovable properties charged therewith is in excess of the amount which is sufficient to secure the debt.

The reduction of the judgment charge may be operated either by way of restriction of the charge to one part of the immovable or immovables on which it is inscribed or by the transfer of the charge to another immovable the value of which adequately secures the debt.

The costs required for carrying out the reduction, even if made with the consent of the creditor, are payable by the person who has applied for the reduction.

Article 1095. A creditor who has obtained a judgment charge has the same rights as a mortgagee who has obtained a mortgage. Subject to any special provision of the law, the judgment charge is governed by the same provisions as a mortgage, especially as regards its inscription, its renewal, its radiation, the indivisibility of the right, its effect and its extinguishment.

CHAPTER III. Rights Derived from the Right of Ownership. Pledge

Section 1. Elements of a Pledge

Article 1096. Pledge is a contract by which a person undertakes, as security for his debt or that of a third party, to hand over to the creditor or to a third person chosen by the parties, a thing over which he constitutes, in favor of the creditor, a real right, and by which the creditor is allowed to retain the thing pledged until repayment of the debt and to obtain payment of his claim out of the price of such

thing, no matter in whose hands it may be, in preference to unsecured creditors and to creditors following him in rank.

Article 1097. Only movables or immovables which can be sold independently by public auction may be the object of a pledge.

Article 1098. The provisions of Article 1033 and of Articles 1040 to 1042 relating to mortgage are applicable to pledge.

Section 2. The Effects of a Pledge

1. Between the Contracting Parties

Obligations of the Pledgor

Article 1099. The pledgor is bound to deliver the thing pledged to the creditor or to the third person chosen by the contracting parties to hold the thing.

Provisions relating to the obligation as to delivery of a thing sold apply to the obligation as to delivery of a thing pledged.

Article 1100. The pledge is extinguished if the thing pledged returns into the hands of the pledgor, unless the pledgee proves that the return took place for a reason that was not intended to extinguish the pledge, subject always to the rights of third parties.

Article 1101. The pledgor guarantees the pledge and its efficacy. He must not do anything which diminishes the value of the thing pledged or prevents the creditor exercising his rights derived from the contract. The pledgee may, in case of urgency, take at the cost of the pledgor all necessary measures for the preservation of the thing pledged.

Article 1102. A pledgor guarantees the thing pledged against loss or deterioration when such loss or deterioration is due either to his negligence or to force majeure.

The provisions of Article 1048 and 1049, relating to the loss or deterioration of mortgaged property and to the transfer of the right of the creditor to any rights or property that have replaced the mortgaged property, apply to pledge.

Obligations of the Pledgee

Article 1103. If the pledgee takes delivery of the thing pledged, he must use for its preservation and maintenance the care expected from a reasonable person. He must answer for its loss or deterioration unless he can show that they were due to a cause not imputable to him.

Article 1104. The pledgee may not derive any gratuitous advantage from the thing pledged.

He must, in the absence of an agreement to the contrary, make the thing pledged render all the fruits that it is capable of producing.

The net revenue and the benefit that he obtains from the use of the thing pledged, must be applied in reduction of the debt, even before it falls due. Such revenue or benefit shall be imputed in the first place to expenses he has incurred for the preservation of and repairs to the thing pledged, then to expenses and interest, and then to the capital amount of the debt.

Article 1105. If the thing pledged produces fruits or revenue, and the parties have agreed to substitute these fruits or revenue in whole or in part for interest, such an agreement will be valid to the extent that it does not exceed the maximum conventional rate of interest authorized by the law.

If the parties have not agreed that the fruits will be substituted for interest, and have not fixed the rate of interest, the interest will be fixed at the legal rate, provided that it does not exceed the amount of the fruits. If the parties have not fixed a date for payment of the secured debt, the creditor can only demand payment of his claim by a deduction from the fruits, subject to the right of the debtor to pay off his debt at any time he chooses to do so.

Article 1106. The pledgee shall manage the thing pledged and shall use in such management the care expected from a reasonable person. He may not, without the consent of the pledgor, change the method of exploitation of the thing pledged and is bound to advise the pledgor immediately of any matter that requires his intervention.

If the pledgee misuses this right or is guilty of bad management or gross negligence, the pledgor shall have the right to demand that the thing pledged be placed in judicial deposit or to claim restitution of the thing against payment of his debt. In the latter case, if the secured debt is not subject to interest and is not yet due for payment, the creditor will only be entitled to a sum equal to the amount of the debt, less interest at the legal rate from the date of payment to the date of maturity.

Article 1107. A pledgee must, upon receipt of his debt and the accessories, expenses and compensation for losses attached thereto, restitute the thing pledged to the pledgor.

Article 1108. The provisions of Article 1050, relating to the responsibilities of a mortgagor who is not the debtor, and the provisions of Article 1052, relating to appropriation in case of non-payment and to sale without recourse to legal formalities, apply to pledge.

2. As regards Third Parties

Article 1109. The thing pledged must be held by the pledgee or by the third party chosen by the parties to make the pledge valid as against third parties.

The thing pledged may secure several debts.

Article 1110. Pledge confers upon the pledgee the right to retain the thing pledged against any other person, subject to the rights of third parties which have been preserved in accordance with the law.

If a pledgee loses possession of the thing unknowingly or against his will, he has the right to reclaim the thing from any other person in accordance with the provisions of the law as to possession.

Article 1111. A contract of pledge secures not only the capital of the debt, but also and in the same rank:-

a. expenses of a necessary kind incurred for the preservation of the thing pledged.

b. compensation for losses resulting from defects in the thing pledged.

c. the cost of the contract of loan, of the contract of pledge and of its inscription, if any.

d. the costs incurred for the enforcement of the pledge.

e. all interest that has fallen due, subject to the provisions of Article 230.

Section 3. Extinguishment of a Pledge

Article 1112. A right of pledge is extinguished as a result of the extinguishment of the secured debt. It is revived with the debt if the cause of the extinguishment of the debt disappears, without prejudice to the rights of third parties in good faith legally acquired in the interval between the extinguishment and the revival of the right of pledge.

Article 1113. A right of pledge is also extinguished by one of the following causes:-

a. the renunciation of the right by the pledgee if he has the legal capacity to liberate the debtor of the debt. The renunciation may result tacitly if the creditor voluntarily gives up the thing pledged or if he agrees without reserve to its alienation. If, however, the thing pledged is charged with a right in favor of a third party, the renunciation of the pledgee is only valid as regards such third party if such third party consents.

b. the union of the right of pledge and that of ownership of the thing pledged in one and the same person.

c. the loss of the thing pledged or the extinguishment of the right given in pledge.

Section 4. Certain Kinds of Pledge

1. Pledge of an Immovable (Antichresis)

Article 1114. A pledge of an immovable is only valid as against third parties if, in addition to delivery of the pledged immovable to the pledgee, the contract of pledge is inscribed. The provisions governing the inscription of a mortgage apply to the inscription of pledge of an immovable.

Article 1115. A pledgee of an immovable may lease the immovable to the pledgor without the contract of pledge being less valid as against third parties. If the lease is agreed to in the contract of pledge, it must be mentioned in the inscription of the pledge, but if the lease is agreed to after the pledge, it must be noted in the margin of that inscription. Notation is not necessary if the lease is tacitly renewed.

Article 1116. A pledgee of an immovable must provide for the maintenance of the immovable, pay the expenses necessary for its preservation, the annual taxes and charges, and deduct the amount of these expenses from the fruits he has collected or obtain repayment from the price of the immovable in the rank of privilege accorded by law to such expenses.

He may free himself of these obligations by abandoning his right to the pledge.

2. Pledge of a Movable (Articles 1117-1122) (not included)

3. Pledge of Debts (Articles 1123-1129) (not included)

CHAPTER IV. Privileged Rights

Section 1. General Provisions

Article 1130. A privilege is a right of preference granted by law to a particular right by reason of its quality.[1]

No right is privileged except by virtue of a provision of the law.

Article 1131. The rank of a privilege is fixed by law. In the absence of a formal provision of the law fixing the preferential rank of a privileged right it ranks after any other privilege provided for in this chapter.

In the absence of a provision of the law to the contrary, privileged rights of the same rank will be paid rateably.

Article 1132. General privileges extend to all movable and immovable property of the debtor. Special privileges are limited to a specific movable or immovable only.[2]

Article 1133. A privilege cannot be set up against the holder in good faith of a movable.

A lessor of an immovable and a hotel proprietor are deemed, in so far as this article applies, to be holders of furniture used in the leased premises and of effects brought into the hotel by travelers respectively.

If a creditor has reasonable grounds to apprehend that movables charged with a privilege in his favor will be misappropriated, he may apply for them to be placed in judicial custody.

Article 1134. Provisions of the law relating to mortgages are applicable to privileged rights over immovable property in so far as they are not incompatible with the nature of these rights. The provisions relating to purge, to inscription and the effects of inscription, and to renewal and radiation of inscription, are in particular applicable to privileges over immovables.

General privileges, however, even over immovables, are not subject to publication nor do they give a right of tracing the property into the hands of subsequent holders. Privileges over immovables securing sums due to the State Treasury are also not subject to publication. All these privileges rank prior to any other privilege over immovables or mortgages, whatever may be the date of their inscription. As between each other, the privilege securing sums due to the State Treasury ranks prior to general privileges.

Article 1135. Provisions applying to the loss or deterioration of mortgaged property apply also to privileges.

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1. Compare Article 1983 of the Quebec Civil Code:- A privilege is a right which a creditor has of being preferred to other creditors according to the origin of his claim.

2. Compare Article 1980 of the Quebec Civil Code:- Whoever incurs a personal obligation renders liable for its fulfillment all his property, movable and immovable, present and future, except such property as is specially declared to be exempt from seizure.

Article 1136. In the absence of a provision of the law to the contrary, privileges are extinguished in the same way and in accordance with the same rules as a mortgage or a pledge.

Section 2. Kinds of Privileges

Article 1137. In addition to the privileges established by special provisions of the law, the rights enumerated in the following articles are privileged.

1. General Privileges and Special Privileges over Movables

Article 1138. Costs of legal proceedings incurred, in the common interest of all the creditors, for the preservation and sale of the property of the debtor, have a privilege over the price of such property.

Such costs are payable in priority to any other claim, whether privileged or secured by a mortgage, including claims of creditors for whose benefit such costs have been incurred. Costs incurred for the sale of the property are payable in priority to the costs of the procedure of distribution.

Article 1139. Sums due to the State Treasury for taxes, duties and other dues of any kind are privileged in accordance with conditions laid down by laws and regulations issued in this connection.

Such sums shall be paid out of the proceeds of sale of the property charged with this privilege, in whosoever's hands it may be, and before all other rights, whether privileged or secured by a mortgage, except costs of legal proceedings.

Article 1140. Expenses incurred for the preservation of, and repairs of a necessary kind to, a movable are secured by a privilege over the movable as a whole.

Such expenses are payable out of the proceeds of sale of the movable so charged, and rank immediately after the costs of legal proceedings and sums due to the State Treasury. As between them such expenses will rank in the inverse order of the dates on which they were incurred.

Article 1141. The following claims are secured by a privilege over all the debtor's property, whether movable or immovable:-

a. sums due to servants, clerks, workmen and other wage earners for wages and emoluments of any kind due to them for the last six months.

b. sums due for foodstuffs and clothes supplied to the debtor and to persons depending on him during the last six months.

c. alimony due by the debtor to members of his family, for the last six months.

These claims rank immediately after the costs of legal proceedings, sums due to the State Treasury and expenses for the preservation of and repairs to the property. As between them such claims are paid rateably.

Article 1142. Sums disbursed for seeds, manure and other fertilizers and insecticides, and sums disbursed for cultivation and harvesting are secured by a privilege over the crop for whose production they are spent. They will all have the same rank.

Such sums are payable out of the proceeds of sale of the crop, immediately after the claims above referred to.

Sums due in respect of agricultural implements are, in a like manner and in the same rank, secured by a privilege over these implements.

Article 1143. House and agricultural rents for two years, or for the duration of the lease if less than two years, and all sums due to the lessor by virtue of the contract of lease, are secured by a privilege over all attachable movables and crops existing on the leased property and belonging to the lessee.

Subject to the provisions relating to stolen or lost property, this privilege is enforceable even when the movables belong to the wife of the lessee or to a third party, as long as it is not established that the lessor had knowledge, at the time the movables were brought onto the leased property, of the existence of a third party's rights.

This privilege is also enforceable over movables and crops belonging to a sub-lessee, if the lessor had expressly prohibited sub-letting. If sub-letting was not prohibited, the privilege will only be enforceable up to the amount due by the sub-lessee to the principal lessee on the date a formal summons is served by the lessor upon the sub-lessee.

These privileged claims are payable out of the proceeds of sale of such movables and crops subject to such privilege, immediately after the claims above-mentioned, with the exception of claims in respect of which the privilege does not operate as against the lessor in as much as he is a third party holder in good faith.

If movables and crops so charged are removed from the leased property, notwithstanding the objection of the lessor or without his knowledge, and the movables remaining on the property are not sufficient to secure the privileged claims, the privilege is enforceable on the movables and crops so removed subject to rights acquired on these movables and crops by third parties in good faith. The privilege shall remain in force for three years form the date of the removal, even to the detriment of a third party's rights, if the lessor effects within the prescribed time limit an attachment on the movables and crops removed. If, however, the movables and crops are sold to a purchaser in good faith in the market by public auction or by a merchant dealing in similar articles, the lessor must reimburse the purchaser with the price.

Article 1144. Sums due to hotel proprietors by a traveler for accommodation, food and expenses incurred for his account, are secured by a privilege over the effects brought by the traveler to the hotel or its annexes.

Unless it can be shown that the hotel proprietor knew of the existence of a third party's rights over these effects at the time they were brought on to the premises, this privilege may be enforced on these effects, even if they do not belong to the traveler, provided that they are not lost or stolen property. A hotel proprietor may, if he has not been paid in full, object to the removal of these effects, and if they are removed notwithstanding his objection or without his knowledge, the privilege continues to be enforceable on them, subject to the rights acquired by third parties in good faith.

A hotel proprietor's privilege has the same rank as a lessor's privilege. Should the effects in question be subject to both claims, the first in date will have priority, unless it is not enforceable as against the other.

Article 1145. Sums due to the vendor of a movable for price and accessories are secured by a privilege over the movable sold. This privilege is

enforceable as long as the movable sold preserves its identity, subject to the rights acquired in good faith by third parties and subject to the special provisions applicable in commercial matters.

This privilege follows in rank privileges over movables above referred to. It operates, however, as against the lessor and the hotel proprietor, if it can be proved that they had knowledge of such privilege at the time that the thing sold was brought onto the leased property or into the hotel.

Article 1146. Co-owners who have partitioned a movable have a privilege over this movable in respect of their respective remedies against each other resulting from the partition, and for payment of any difference reverting to them in the partition.

The privilege of a co-partitioner has the same rank as a vendor's privilege. Should the movable in question be subject to both rights, the first in date will have priority.

2. Special Privileges over Immovables

Article 1147. The price and accessories due to the vendor of an immovable are secured by a privilege over the immovable sold.

Such privilege must be inscribed, notwithstanding the transcription of the sale, and its rank is fixed by the date of inscription.

Article 1148. Sums due to contractors and architects who have been entrusted with the erection, reconstruction, repair or maintenance of buildings or other works, have a privilege over such works but only in respect of the increase in value resulting from such works as at the time of the alienation of the immovable.

Such a privilege must be inscribed. Its rank is fixed by the date of its inscription.

Article 1149. Co-owners who have partitioned an immovable have a privilege over this immovable in respect of their respective remedies against each other resulting in the partition, including their right to claim payment of any difference reverting to them in the partition. This privilege must be inscribed. Its rank is fixed by the date of its inscription.

PUBLIC HOUSING

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PUBLIC HOUSING LAW

(Law No. 206 of 1951)
(as amended by Law No. 213 of 1954 and Law No. 30 of 1960)

PART ONE

CONSTRUCTION OF PUBLIC HOUSING

Article 1. The construction of public housing will be assumed, conforming to the provisions of the present law, by all authorities so constituted and by private bodies authorized to that effect by the Minister of Municipal and Rural Affairs from among the following public bodies and private persons:

1. the provincial, municipal and village councils;
2. the owners of enterprises which construct housing for their employees;
3. cooperative societies for the construction of housing and their associations.
4. The Ministry of Wakfs as to housing to be constructed in its capacity as administrator of Waqf Khairi:
5. private persons who will participate in an open awarding of contract by auction by the Government for the construction of public housing and whose proposal is accepted.

The preference among these different offers of service will be based upon the rent fixed for the housing.

Article 2. The Minister of Social Affairs will choose, with the consent of the Minister of Public Works, the Minister of Finance, the Minister of Municipal and Rural Affairs and the Minister of the National Economy, the lands belonging to the State which can serve for the construction of public housing or for the founding of new villages, and also for their public services. The Minister of the National Economy issues a decree to assign the indicated lands for that objective.

The Minister of the National Economy, after approval of the Council of Ministers, can sell those of these lands where the price is high on the condition that the Council make all or part of the sale price of purchase of the lands of a price less than that for other land which serves the same objective.

A special account will be opened for the receipts derived from the sale of these lands and for expenditures made in the purchase of other lands.

The possessors of these lands are held to consign them to the competent authorities, within 30 days of notice that will be given to them by registered letter with notice of receipt. Any dispute shall not prevent that consignment, which shall be made administratively, after an official statement of the State concerning the lands and the buildings and plantations that are found upon them, all without prejudice to the rights of the owners or adverse parties.

Article 3. The Minister of Social Affairs, with the consent of the Minister of Public Works, the Minister of Finance, the Minister of Municipal and Rural Affairs, and the Minister of the National Economy, will determine by decree the lands not belonging to the State which are chosen for the construction of public housing in the cities and villages whose planning will be established in conformity with Article 10, or for expansion of new villages.

The competent authorities will proceed to expropriate these lands and to their allotment for a public purpose, on the condition that their price will be estimated according to their value at the moment when the above-mentioned decree will be rendered.

The indicated lands can, not withstanding expropriation, remain in whole or in part in the possession of their owners, thus conserving use to them until the moment when they must be used for the objective for which they had been expropriated. In this case, the evaluation and the payment of compensation are determined by a special law which fixes the method and the conditions.

Article 4. In view of the construction of public housing and of the founding of new villages, the Government puts the lands referred to by the two preceding articles at the disposition of the bodies and persons mentioned in Article 1. Those bodies have the use of them free of charge and for a period not exceeding 40 years. At the expiration of that period, the indicated lands, upon which buildings have been constructed, their appendages/outbuildings and the trees planted there, return to the Government free of charge. However, priority will be accorded to beneficiaries who continue a use conforming to conditions which are decreed to that effect by the Council of Ministers. The indicated lands can be sold to the authorities and private individuals mentioned in Article 1 if they request their acquisition on condition of paying one-fifth of the price at the time of the concluding of the contract. The balance will be paid in installments spread over a period not exceeding 40 years with an interest rate of 2%. The request leading to obtaining the use or the acquisition will be presented in a special form conforming to the model which will be decreed by the Minister of Social Affairs, with the consent of the Minister of the National Economy.

The Council of Ministers will set the price and its profit for the purchase of land below market value, so as to assist in the construction of public housing or of the founding of new villages.

Article 5. Provincial, municipal and village councils put lands belonging to them at the disposal of all of the authorities and private bodies mentioned in Article 1 who have requested them and who wish to make use of them for the construction of public housing or the founding of new villages. Likewise, these authorities and private bodies can purchase the lands indicated.

The use or acquisition shall be made in conformity with the conditions provided in the preceding article. The request leading to the obtaining of the use or acquisition will be presented on a special form, conforming to the model which will be decreed by the Minister of Social Affairs.

Article 6. The lands referred to in the two preceding articles can only be sold by means of bidding/auction. If the same parcel of land is desired by several authorities or private individuals, the purchaser will be designated by drawing lots. The sales price will be determined based upon the effective cost to which will be added a profit of 10%. Effective price is defined as the price of the land if it had been bought or its value after appraisal made by competent authorities. The expenses made by the owner to establish the public services and for management of the land will be added to the sales price.

Article 7. The Government and the provincial, municipal and village councils will at every moment have the right to annul the authorization of use or to cancelling the contract of sale, if the beneficiary of the use or the purchaser has not applied the land to its ascribed use, if he has not begun construction or if he has not completed it within the period fixed to that effect by the executing regulation. No compensation will be owed because of the rescission of the authorization or of its cancellation.

In the case of cancellation, the purchaser has the right to the lower of two amounts, that of the price that he paid or that of the price of the land at the moment of cancellation.

All arrangements either for a valuable consideration or free of charge are void which place a burden upon the lands or upon the use of the lands, thus all arrangements that result in the putting of an obstacle to the realization of ends to which the lands indicated are intended.

Article 8. The Minister of Social Affairs will, for those projects of public housing erected by the provincial, municipal and village councils, the owners of enterprises, cooperative societies for housing and cooperative associations of those societies, have a right of control concerning plans of construction, the request for awarding of the contract and the award of the contract. The fixing of rents will be made by agreement with the Minister of Finance.

Article 9. He who constructs public housing can transfer his right over that housing to a third party, on the condition of obtaining previously the consent of the Council of Ministers. This third party will be subrogated in all his rights and obligations to the builder, including the terms of the loan remaining to be paid, such as its interest (rate).

PART TWO

New Planning of Cities and Villages

Article 10. The Minister of Municipal and Rural Affairs proceeds to new planning of cities and villages and will issue decrees to that effect. There will be included in that plan - the fixing of zones which are reserved for residences and for public buildings, those which are reserved for commerce and industries of all kinds, and those which will be reserved for establishments for public entertainment. The new plan also has to carefully fix the number of inhabitants for each zone considering its area, and the area of public gardens considering the number of inhabitants.

The new plan shall lay out two lines of demarcation for each city or village. The first line will fix the dimensions, which the extension of construction will require to be made considering the growth in population during the following 50 years; the second line fixes, beyond the first line, the agricultural zone within which it will be permitted to erect buildings not having an agricultur purpose after approval by the authorities in charge of the plan.

Within the first line of demarcation, there will be indicated the type of buildings that can be erected in each zone, without having to refer to the authority in charge of the alignment, those which can only be erected after the approval of that authority and those that are absolutely prohibited; all without prejudice to the provisions of other laws. Likewise, it will indicate, in the plan indicated, the stages of execution of such works of extension such as the time period fixed for each stage.

Article 11. All violations of the provisions of the preceding article will be liable for a fine from 100 to 1000 piasters. Moreover, the violator will be sentenced, according to the case, to correction or to demolition of the offending works.

Article 12. In case of criminal proceedings for violation of the provisions of Article 10, the authority in charge of the plan can proceed, by administrative method, to the cutting off/suspension of the offending works.

Article 13. In the absence of execution by the owner of the sentence relating to correction or to demolition of the offending works within the time limit fixed by the authority in charge of the plan, the authority can proceed to their execution at the cost and under the responsibility of the owner.

Article 14. As to the application of the provisions of Article 10, the engineers of the authority in charge of the plan have the capacity of police officers and have free access at every moment to work yards to assure themselves that the stipulations of the article indicated are observed and to ascertain/verify all violations to these provisions.

Article 15. All demands for repair of an injury which results from the demolition of a building erected after the publication or after the taking effect of the decree containing the new plan will be inadmissible if, after its implementation, one ascertains that this construction does not correspond to the new rules and that, consequently, it is demolished to execute those rules.

PART THREE

FINANCING

Article 16. The Minister of Finance can ask for the promulgation of a law for the issuance of a public borrowing that will be earmarked to the financing and construction of public housing. That borrowing, including the interest payments, will be amortized within a period not greater than 40 years.

He can also conclude an agreement with banks and financial enterprises for the purpose of them lending the sums necessary for that purpose. These loans will be agreed to by the Government or by banks and financial enterprises conforming to the provisions of the following article and contain conditions and restrictions that will be fixed by the Minister of Finance and approved by the Council of Ministers.

Article 17. The Government guarantees the loans agreed to by the banks and financial enterprises to bodies and persons mentioned by Article 1, according to the following conditions:

(a) the total amount of the loan shall not be greater than 50% of the total of the costs of construction. However, if the borrower is a provincial, municipal or village council or a cooperative society, the Council of Ministers can, if it has good reasons to do it, authorize it to exceed that percentage.

(b) the amortization of the principal and interest of the loan shall be realized within a period not greater than 40 years.

(c) the loan will be repaid by installments spread out simultaneously and proportionally to the work of construction and following the conditions and methods of payment which are determined by decree of the Minister of Social Affairs.

(d) buildings assigned to public housing constitute security for the loan; the lender can demand other security.

(e) the Government will assume the payment of a part of the interest of the indicated loan, so that the debtor need not pay more than a 2% interest rate.

Article 18. The provincial, municipal and village councils may, each within its jurisdiction and following the conditions and restrictions provided in the two preceding articles, substitute themselves for the Government in the financing of the operations of constructing public housing.

Article 19. The sums lent by the Government and by the provincial, municipal and village councils to authorities or private individuals who take up the construction of public housing, such as the sums that will be lent them by banks or by financial enterprises with the guaranty of the indicated organs by application of the provisions of the present law, have a general lien on all their possessions. This lien ranks immediately after the lien of sums due to the Public Treasury.

Article 20. Banks or all other lenders shall, until complete repayment of the total of the loan burdening the construction of public housing, insure that building against fire with an authorized insurance company. A single insurance policy can be made for more than one unit of public housing.

PART FOUR

PRIVILEGES CONFERRED BY THE GOVERNMENT

Article 21. All public housing will be exempt from the property tax on buildings for a period of five years beginning at the date that the house enters use. The exemption from the tax on buildings during a period of five years applies also to public housing constructed by the Ministry of Awkaf, in its capacity as administrator of Waqf Khairi.

Article 22. Capital used in the construction of public housing is exempt from all taxes.

Article 23. The Council of Ministers can, when required, reduce the rents fixed for public housing taking account of the means of the users, on the condition that the Government takes as its expense the difference resulting from that reduction.

Article 24. If the beneficiary or the purchaser begins construction and does not complete it within the period fixed by executory regulation, the Government or the provincial, municipal and village councils having offered the land or having sold it for the purpose of the construction of public housing conforming to the provisions of Articles 4 and 5, may take possession of the buildings and complete them by themselves or by the intermediation of a third party upon whom they confer that task. The Government or the body owning the land may deliver the house to someone who has begun construction without completing it and this against payment of required expenses, or keep it against payment of equitable compensation which, however, cannot be greater than the costs of the executed construction.

PART FIVE

REQUIRED CONDITIONS FOR THE USE OF PUBLIC HOUSING

Article 25. No one can benefit by the use of more than one unit of public housing.

Article 26. Public housing may not, in whole or in part, be sub-leased without authorization of the Department of Public Housing. It may absolutely not be rented as a furnished apartment.

Article 27. If the user of a unit of public housing cannot pay the rent on the date due, he will forfeit his right of use. In this case, the interested parties may evict him from the house.

Article 28. The authorities and the private individuals who construct public housing will be held to look after its upkeep and to make repairs necessary to conserve such units intact and maintain them in good condition. The Department of Public Housing may assure itself of the execution of these obligations. In a case where these authorities and private individuals do not fulfill the obligation of making the repairs mentioned in the previous sentence, the Minister of Social Affairs may order that such repairs be carried out at the expense of such persons. It may also entrust that task to the Building Service.

Article 29. The Department of Public Housing will establish models for rental contracts and for use of public housing, which will be approved by the Minister of Social Affairs. The authorities and private individuals who take up the task of construction of public housing must conform to these models.

PART SIX

GENERAL PROVISIONS

Article 30. Provisions related to preemption do not apply, either to public housing, nor to lands upon which they are located.

Article 31. The Minister of Social Affairs, with the consent of the Minister of Public Works, shall issue a decree defining public housing, its appurtenances and annexes, such as conditions required for its use.

Article 32. The Minister of Social Affairs will establish an executory regulation indicating particularly:

(a) the conditions of participation of housing cooperative societies, of cooperative associations of these societies and of owners of enterprises for the construction of public housing;

(b) rules related to the presentation of requests leading to the construction of public housing and to the fixing of a time period for the examination and decision regarding these requests.

Article 33. The officials of the Department of Public Housing as the officials that are delegated by decree of the Minister of Social Affairs, have the right to supervise/inspect the construction of public housing to assure themselves concerning the execution of the plans and of the tenders.

Article 34. The provisions of the present law apply to construction in villages, reserving the clauses and restrictions that will be established by decision of the Council of Ministers according to the conditions of each village.

Article 35. The Minister of Social Affairs, the Minister of Public Works, the Minister of Finance, the Minister of Justice, the Minister of Municipal and Rural Affairs and the Minister of the National Economy are charged, each in his own area of concern, with the execution of the present law. The Minister of Social Affairs issues the decrees necessary for its execution.

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FORMATION OF LIMITED COMPANY FOR PUBLIC HOUSING
(Law No. 601 of 1953)

Article 1. The Government is authorized to participate in the founding of a limited company having for its object all that concerns the construction of public housing, and, to that end, particularly, to:

a) take consignment of lands necessary to the construction of public housing, proceed to building upon of them and place them at the disposition of eligible parties for the purpose of construction of individual residences or of properties consisting of several apartments.

b) undertake or contract out the works of construction of public housing and all which concerns public service works required to render the area habitable.

c) undertake all financial transactions relative to the indicated operations, including the location of this housing and the services required.

d) undertake or contract out to insurance companies, all transactions of insurance of these constructions until the price has been fully paid by the occupant, thus the life insurance to their beneficiaries within the limit of sums due to them.

The indicated limited company can have undertakings with bodies or societies having a similar purpose,or who contributes to the realization of that purpose, whether these bodies or societies are situated in Egypt or abroad.

The Government will participate in the stock of the limited company in a proportion of at least 20%, similarly in the case of an increase in the capital.

Article 2. The Government is authorized:

a) to guarantee to the stockholders/bondholders a minimum return of 4% of the face value.

b) to guarantee the redemption, to the date that they fall due, of the face value of obligations that the society/company issues, as well as the payment of dividends when they fall due.

c) to agree to make loans to the society, up to a total of L.E. 1,000,000 (One Million Egyptian Pounds), with the stipulations and conditions that will be fixed by the Minister of Finance and Economy.

Article 3. The regulations/bylaws of the limited company/society must make provision for:

a) The representation of the Government and public bodies which are also participating in the incorporation of the society/company, at the appointment of the Board of Directors, in a proportion not less than their respective percentage of the capital;

b) The appointment of the President/Chairman of the Board of Directors and of the director delegated by decision of the Council of

Ministers, upon the recommendation of the Minister of Finance and the Economy.

c) The communication in writing to the Minister of Finance and the Economy of all decisions of the Board of Directors or the General (Stockholders') Meeting of the society/company, within three days of that date. The Minister will have the power to demand a new consideration of all decisions that he considers prejudicial to the public interest or to beneficiaries of housing, within ten days of their communication. In that case, the decision will only be executed if is approved anew by the Board of Directors or the General Meeting of Shareholders, according to the case, by a special majority that will be set in the bylaws of the society.

d) The power to issue obligations, when at least one-half of the face value of the capital subscription has been paid up, on the condition that the total of the obligations issued does not exceed ten times the paid in capital. In all these cases, the conditions of issuance of obligations will be submitted to the Minister of Finance and the Economy for approval.

Article 4. At the recommendation of the Minister of Finance and the Economy, after the approval of the Board of Directors of the company/society, a decision of the Council of Ministers will set the conditions for possession of the lands required for the construction of public housing and the method of their disposal, also conditions related to guarantees that the society/company will undertake/assume and their form/details.

That decision will indicate also the categories of beneficiaries who will come to the public housing, the method by which they will own/possess the land or house, the specifications and the plans of construction. These conditions will be issued after approval by the Minister of Social Affairs.

The areas assigned to public housing and their appurtenances/outbuildings will be fixed in the same fashion, after the consent of the Minister of Municipal and Rural Affairs.

Article 5. The provisions of the Decree-Law No. 106 of September 9, 1939 will apply to funds which the Government loans to the company in conformity with Article 2 above.

Article 6. The amount of dues of the company/society will be recovered by way of administrative sanctions.

HOUSING COOPERATIVES

MODEL HOUSING COOPERATIVE BYLAWS

Chapter One

The name of the society - area of operations - location - duration

Article 1. The society will be named: The General Cooperative Society for Building and Housing

for the area: Cairo Metropolitan Area

for workers at: The Center for Agricultural Research

Members:

Article 2. The area of operations of the society - Cairo Metropolitan Area.

Article 3. The location of the society - The Center for Agricultural Research - Cairo University.

Article 4. The duration of the society is perpetual. Its existence begins from the date of publication prescribed by Article (13) of Law No. 109 of 1975.

Chapter Two

The purposes of the society - The method of dealing with members and non-members

Article 5. The purpose of this society is to improve the state of its members economically and socially. In order to achieve this objective the society shall provide suitable dwellings for the residence of the members according to their conditions and possibilities, and provide the necessary services for the integration of the residential environment. In order to achieve this objective the society shall carry out the following:

a. The society shall set down the plan of its work, including the method of grouping the savings of members and of borrowing from available resources.

b. After setting out the plan of operation and approving it and providing the necessary finances the society shall buy land suitable for division or land already sub-divided within the area of its jurisdiction, provided that the purchase shall be approved by the General Organization for Building and Housing Cooperatives before signing of the sales contract.

The society shall carry out the execution of sub-division and provision of utilities and supervise the construction work according to the specifications and models which it chooses.

The society may carry out construction work on its own and permit its members to build in the areas which it determines, while observing the limitations and conditions set by the society's construction regulations.

The society may, after the approval of the General Organization for Building and Housing Cooperatives, buy for its account one or more blocks of flats from those built and located within the area of the activity of the society, according to the needs of its members.

The society may - if authorized by the General Society for Building Construction - produce the necessary material for construction work while observing the quality of production and economy in costs.

c. The society may provide the necessary public services for the integration of the residential environment and provide the residential districts with upkeep and maintenance of the available facilities.

Article 6. The society shall prepare a file for each of its members which will include an investigation of his social condition, of his financial means, and of his desire to own a home in the areas where residence are permitted, or in renting a residence of a determined standard, together with all other information necessary to determine his desire and the possibility of realizing it.

The board of directors shall put the mentioned detailed information in special lists in a manner which facilitates its use in planning the programs of work of the society.

Article 7. While observing other provisions of these bylaws - the board of directors may coordinate the desires of members for common and neighboring residential groupings - carrying out the desires of these groups as far as possible - provided that all those forming the group desire to have neighboring residences and have paid the obligations due and that the turn of each to benefit from such housing has already arrived.

Article 8. The society may not distribute the properties which it obtains from any party to any but its members.

Article 9. The members of the society to whom the society has given a piece of land must construct upon that land one residential unit within three years from the date of issuance of the society's decision giving that land to him.

Article 10. The board of directors shall enact, based upon the general directives of the Organization for Housing and Building Cooperatives, a special regulation for buildings, including the specifications for building standards and the program of construction and all other building conditions, including sub-division, alteration and additions, the system of maintenance, regulations regarding gardens and the erection of necessary annexes. These regulations shall be submitted to the general meeting for approval prior to adoption.

Article 11. The board of directors shall offer all construction and building contracts by public competitive bid, to be advertised in a daily newspaper at least twice. The board shall fix the times for the opening of the tenders. It shall be at a meeting to be attended by the board and the designing architect and the representative of the General Organization for Housing and Building Cooperatives. As an exception to this rule the board of directors may, when necessary, be satisfied by a non-competitive bid between contractors within the limits of the prevailing prices on condition that the contract will be under the supervision and receive the approval of the General Organization for Building and Housing Cooperatives. The society may entrust engineering operations to the General Organization for Building and Housing Cooperatives or to some other party and the board of directors shall pay on behalf of the society to the party supervising the construction the prescribed fees in return for the completion of all preparatory work, the setting of models and designs, and the supervision of execution.

In all cases not provided for in these regulations by a provision concerning construction reference will be made to the regulations laid down by the General Organization for Building and Housing Cooperatives.

Article 12. The construction plan includes the construction of common services and the buildings for the services necessary for cooperative districts, such as clubs, playing grounds, conference rooms, nurseries, first aid, medical care, culture, clinics, schools and others and for the planting trees and making gardens. Provided that the board shall give the basis required for providing the necessary funds to carry out these services, and the method of collecting funds from members and presenting that beforehand to the general meeting for its approval. The board shall also decide what amount shall be added to the price per meter of open land or the price of the residential unit to cover the amount of these general costs.

Article 13. The board of directors shall prepare a system for maintenance work and the necessary repairs to dwellings and constructions and for the supervising of them, whether they are for ownership or for rent, and for arranging for a pleasant view and good appearance and the cleanliness of the residential gathering and for arranging for the necessary financial resources for these works or for collecting the costs from the members.

Article 14. The ownership of the land of property with numerous residential units (the owning of flats in blocks) is common between all the owners of the dwelling units and will bear its value in the ratio of the value of the units. The value of the residential unit consists of the costs of its public buildings and what belongs to that unit from the common areas in the block of flats, such as entrances, staircases, lifts, common pipes and others.

Article 15. The board of directors shall arrange the collection of the savings of the members according to their needs and as suits residence obligations, the desired state of use, whether ownership or rent, and shall deposit these savings at the bank with which the society deals or make sure that the members have deposited such amounts at the mentioned bank at the fixed times.

Article 16. The society shall follow the following steps to attain the desire of the members to own residential units:

a. the selection of the models which realize the wishes of the members and an estimate of the preliminary cost of each of the residential units of each model.

b. notification by the board of directors of the members whose turn has come to own residential units according to seniority of membership. These members shall go to the office of the society and look at the models and choose the residential unit which each desires after considering its specifications and preliminary costs. In case of multiplicity of requests concerning each residential unit preference will be given to the person senior in membership.

c. The residential units will be granted in the manner previously indicated at an open meeting of the board of directors. Members whose turn to benefit is due will be notified at least fifteen days before the date of the meeting by registered letter with an acknowledgment of receipt.

d. The member who has been granted a residential unit shall sign a declaration accepting the grant of the unit which he has chosen, its cost, and his readiness to complete the obligations remaining with regard to it within a month from the date of the grant.

e. The board shall commence to make the contractual arrangements for the purchase or the execution of the desired models and complete collecting advance costs from the members covered by the distribution. That advance cost shall be estimated according to the rules laid down by the society and approved by the authority.

f. After preparing the residence for delivery the board of directors shall notify the members who were covered by the distribution by registered letter with an acknowledgment receipt to complete their financial obligations within a month from that date of notification, in conformity with the final account or the latest estimate which has been made and to come to the office of the society to sign the acceptance and receipt for declaration and the necessary contract.

g. If the member does not pay the required advance or does not sign the receipt declaration within the period determined in the previous paragraph his abstention is considered to be a refusal. He will lose his right to obtain the residential unit which he has previously chosen. The board of directors shall decide to list him after the name of the last member entered in the register of waiting members and grants the unit to the one whose turn is due and who settles its due obligations.

h. The board of directors of the society is not allowed in any case to use the savings of non-benefiting members in building or buying properties for the group of beneficiaries. The board is bound to use the financial resources of each member in what benefits him only.

i. The board of directors may not draw or use any sums paid by the members except for the purpose for which they were deposited. Dealings contrary to that shall be considered as dissipating the funds of the members.

Article 17. Members who are willing to benefit from the open land in the permitted areas are invited according to the seniority of members who have paid the fixed advance reservation money to a meeting held for that purpose. This meeting shall be announced by registered post with an acknowledgment receipt, at least fifteen days before the date of the meeting.

It is a condition that the construction conforms with the model approved by the society and no alterations to it may be introduced except after being approved by the board of directors.

Article 18. A preliminary contract is to be made between the society and the members and beneficiary as soon as the board of directors approves the grant. This contract shall embrace and determine all relationships between the member and the society in conformity with the general provisions for sale and the conditions of the contract between the society and the selling party and the lending party. It shall specifically include the following:

1. The contracts concluded between the society and other parties in respect of the purchase of land or dwellings complementary to this contract. Its main conditions shall include the name of the competent cooperative union and the competent administrative authority for issuance of decisions and regulations.

2. The right of members to pay the remaining installments of the price or some of them before the due date and for the deduction of the accrued interest on payment by installments according to the conditions for loan contracts and the provisions of the Egyptian Civil Law.

3. A general description of the building and the amount of its estimated costs and the non-allowance of introducing any major alterations to it without the approval of the board of directors and the obligation on the beneficiary member to pay the actual value of the building after making the final account in conformity with the system of payment decided on by the society.

4. The ceding, by the buying member and all of his heirs and successors to whom the property has passed by right, of the right of preemption to any of the properties of the society to which he would have such right under the Civil Code. . .

5. The society has the right to terminate the contract if a member falls in arrears in the payment of three successive installments after being notified three times by registered mail with an acknowledgment receipt with an interval of thirty days between each notice, each of which sets a period of one month for settlement. The termination of the contract will immediately occur on the termination of the period fixed by the last letter.

6. The member who has ceded his property to the society or who has broken his contract of ownership is obliged to pay the society the cost of repairs necessary to the dwelling.

7. The member is obliged to pay all the expenses of the contract of sale and mortgage and fees, registration expenses, administrative expenses and other expenses as decided by general meeting in return for the common services and maintenance.

8. The society has the right, when necessary, to pay on behalf of the member all amounts due to the government and to take out an insurance policy on the life of the owner and another against fire and to add such expenses to the installments on the dwelling in case of ownership.

9. The heirs shall take the place of the person to be inherited if death takes place after granting of a property to him and before the actual transfer of the property to him, provided that they will choose who will represent them with the society and that they accept his membership in the society after presenting proof of inheritance and copies of the agreement which determines the relationships between that member and the rest of the heirs in respect to the dwelling. These papers shall be kept at the society and the conditions of the conditions shall be transferred automatically to the heirs.

The final contract of sale transferring the property will not be made with the member unless that contract includes all the obligations and conditions stipulated in the preliminary contract and proving the necessary rights of preference and mortgage. The contract with the member who has been granted a piece of land may not be transferred except after the construction on that land of at least one complete residential unit and after the member obtains a certificate to that effect from the society.

Article 19. The services of the society are restricted to its members. It is not allowed to deal with non-members except in the following areas:

1. Non-members taking benefit of what exceeds the needs of its members from the public services, such as trade shops, cultural places and similar activities.

2. Acceptance of financial deposits, trusts and donations from n members.

In the case of deposits the rate of interest to the deposit should be less than the rate which is paid to the members of the society.

Chapter Three

The funds of the society - The distribution of the surplus

Article 20. The funds of the society are owned by cooperative ownership. The rights of the member of the society on termination of his membership

or on the liquidation of the society shall not exceed the refund of the value of his share capital.[1]

Article 21. The funds of the society shall consist of:

1. The capital: it is made up of an unlimited number of shares to be subscribed to by the members. Each person who complies with the membership conditions shall have the right to subscribe to them. The value of the share is 100 piasters, to be paid in one lump sum payment when joining the society[2].

   The number of shares subscribed to by the founders are _____ shares, of the value of _____ pounds, and that sum has been deposited at _____ Bank _____ Branch per receipt no. _____ dated _____.

   The board of directors shall issue the shares of the society according to the applications for subscription. The board may not issue shares at a value varying from the amount prescribed in these regulations. The shares shall be nominative and indivisible and may not be sequestered except in settlement of the amounts due from the member to the society.

   Incomes of the society may not be kept in suspense pending the subscription in more than one share. Nevertheless the board of directors may increase the subscription of members to the capital in the ratio of the services rendered to each.

2. Subscriptions: The board of directors shall propose at the end of each financial year the amount of the monthly subscription which is to be collected from each member to meet the administrative expenses, provided that the amount collected will be enough to cover these expenses and will be presented to the general meeting for approval. There shall be a fee for beneficiary members and another lesser fee for non-beneficiary members, provided that the amount is consistent with the possibilities of members and the services rendered to them.

   The member shall be obliged, once accepted as a member in the society, to pay the required subscription fee in one sum for a year in advance when paying the value of the shares and the membership fee. The member has to pay the subscription monthly or yearly, provided that payment shall be made in advance. If the member falls in arrears in payment for two months after the due date for payment and there were payments in his name at the society the amount due will be deducted from them. The member being notified of that, at his own expense, by registered mail with an acknowledgment receipt. In this case he will bear the amount of subscription for a full year. If the incidence of falling in arrears by the member is repeated or he has fallen behind in payment for the period of three months and he had no payments with the society from which deductions could be made, his case is presented to the general meeting for a decision to be issued in accordance with the provisions of these regulations.

3. Deposits: The board of directors makes the rules encouraging members to save with the society and allowing them interest on deposits for more than one year.

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1. Law No. 109 of 1975 did not permit the ownership of the funds of the society or the gaining of any corporeal right to such funds by lapse of time. However, it has been allowed after obtaining the approval of the competent minister to challenge misuse of the funds of these societies through administrative channels.

2. In accordance with the decision of the Central Cooperative Consumers Union, in execution of Articles 7 and 16 of Law No. 109 of 1975, the minimum level of incorporation capital is LE 300 and the minimum number of founder members is thirty members.

The society may use the deposits, having regard to the following restrictions. They must be:

a. deposited for a period exceeding one month.

b. employed within the limits of 70% of its value.

c. used for purposes which do not require funds beyond its due date.

4. The membership fee: this amounts to LE 5 which the member of the society pays immediately on admission. It is not to be refunded to him.

5. Available loans.

6. Assistance from the State and public corporate bodies and protectorate bodies.

7. Reserves: The legal reserves of the society consists of the following resources:

   1. donations and protectarships and subscriptions which are not appropriated for specific purposes.

   2. Capital shares or bonuses or the return on dealings by members to which the legal right of demand has fallen by the lapse of one year from the due date of any payment.

   3. realized revenues from the sale of fixed assets which exceed its book value.

   4. 15% of the annual surplus,

   5. the surplus return resulting from dealings with non-members.

   It is possible based on a decision of the general meeting to make provisions to meet different kinds of work and different contingencies.

Article 22. The financial year of the society starts from the first of January of each year and ends on the 31st of December of the same year on condition that the first financial year starts from the date of publication of the society and ends on the 31st of December of the following year.

Article 23. Without infringement on the right of the Central Consumers Cooperative Union to audit the accounts of the society, the general meeting may appoint an auditor to audit the accounts and the books of the society at least once a year.

The auditor will also supervise the books of the society and contributes in organizing them. The audit shall embrace the books of the society, its documents, the ascertaining of each balance at the end of the period, and the preparation of the balance sheets and final accounts.

The audit will be carried out at the office of the society. The auditor will make a detailed report on the financial status of the society. He will send a copy of that report to the board of directors to be presented together with the balance sheet to the general meeting. He will send another copy of the balance sheet and the report to the competent administrative authority and the Central Cooperative Union immediately on its completion.

Article 24. The audit of the accounting and financial situation, the final accounts and the budget shall be made annually at the office of the

society by the Central Cooperative Union before they are presented to the general meeting.

Article 25. After deducting all expenses, including depreciation and provisions approved by the general meeting and covering the losses which have befallen the society in previous years, the surplus, if any, will be distributed in the following manner:

a. 15% to form the legal reserve.

b. 15% to the account for social services which the board of directors will determine on condition that one third of it will be appropriated to the Central Union.

c. 10% as a maximum limit as a bonus to all or part of the members of the board of directors.

d. 5% as a maximum limit as a bonus to all or some of the workers in the society.

e. 5% for the cooperative training to be transferred to the Central Cooperative Union.

f. 5% for the Cooperative Investment Fund. This must be approved by the general meeting.

g. the remainder, plus what is left without distribution from the ratios referred to above, is to be transferred to the following year under the title "common services".

Article 26. There to be added to the society's share of the account for social services in addition to the appropriated ratios from the annual surplus the following resources:

a. Gifts and donations appropriated for that purpose and accepted by the board of directors.

b. Half the membership fee on condition that the other half will be directed to the revenues of the society.

c. The society's share of the increase in the value of property which is to be granted to the members according to the decisions of the general meeting.

d. the sums which the members violating some of the provisions of the internal regulations are obliged to pay.

Article 27. The distribution of the provision of bonus due to the members of the board of directors is connected with the extent of his contribution in the execution of the annual plan for the financial year for which the distribution is made, and his punctuality in attending the meetings of the general meeting and the board and subsidiary committees, his activity in serving the society and carrying out work entrusted to the member, and the time period which he has spent on the board during the financial year. The share of bonus of the one member of the board should not exceed in any one year LE 150 or 20% of the total of the bonus, whichever is less.

The distribution to the members, all or part of them, shall be made according to a decision of the general meeting. The members of the temporary board of directors are to be treated similarly as the elected members.

Article 28. The distribution of the provision for bonus to the workers in the society is connected with the good level of performance as shown in the report of the board of directors and the share of the worker should not exceed LE 50 in the one financial year.

Article 29. The society shall insure its stores, establishments, funds and trust owners against all risks.

Chapter Four

Membership, Withdrawal, Relinquishment and Dismissal

Article 30. In addition to the condition of belonging to the area of jurisdiction of the society by residence or work, the member of the society shall satisfy the following conditions:

a. accept residence within the area of the activity of the society and declare beforehand his readiness to move to the residence offered to him by the society as soon as he gets it, otherwise the society shall grant it to other members.

b. not have been convicted of a crime unless his honor has been restored.

c. declare in writing that he will abide by the provisions of the internal regulations of the society and also declare his knowledge that any dealing or procedure he takes contradictory to these provisions is to be invalid and will not have any legal consequences besides his readiness to observe all the obligations which the society determines.

d. present an application to the board of directors to join the society and attached to it the value of the shares to which he desires to subscribe. Also the membership fees and the fixed subscription. That application will show:

The name of the person applying for membership - his address - his occupation - his social status - his monthly income - the kind of residence he desires and the number of its rooms and its cost - advances on land and construction which he can pay - his obligation to take care of the residence and maintain it when he gets it, also observing the cleanliness of the area and his acceptance to bear the expenses to be decided for that purpose - his obligation to notify the society of any change that may occur in the address of his residence or occupation within a week from its occurence by a registered letter with an acknowledgment receipt.

He has to declare that he is not a member of any other cooperative society for the construction of dwellings and that neither he nor his family has benefited from any cooperative property other than a dwelling of a society for summer resorts.

The applications for membership shall be recorded in numerical order according to its date of receipt at the society in a special sealed register prepared for that purpose.

Article 31. The board of directors shall decide on the application for membership within a month from the date of its presentation if the conditions for membership are all found in the application. The board of directors must issue a decision accepting his membership and stating that his seminity shall be back dated to the nearest of the following two dates:

a. the date of the convening the last meeting of the board of directors - following the date of presentation by the member of his application at which an application for admission by a member has been accepted.

b. the date falling after thirty days have passed from the presentation of the application.

Article 32. The applicant shall be informed by a registered letter of what has been decided in his respect within a week from the date of the decision of the board. In case of refusal of the application for

membership the reasons shall be indicated in the mentioned notification. The application shall be kept in the file of the society after being marked by the date of the board meeting at which it has been considered and of the decision of the board in its respect.

In case ot refusal of application for membership, the person concerned may present a protest against this decision to the competent administrative authority within thirty days of the date of notification of refusal of his application. The competent administrative authority shall consider the circumstances surrounding the case and will issue its final decision in its respect.

No alteration in the order of priority of membership or the order of benefit taking may be made except in accordance with the provisions of these bylaws.

Every member has the right to obtain a certificate from the society showing his rank as to other members of the society on the date of the writing of the certificate.

Article 33. Membership shall be removed for any of the following reasons:

1. withdrawal from the society,
2. giving away of all the shares to another member,
3. joining another society for the construction of dwellings except membership in another cooperative society for summer resorts.
4. repeated behavior in taking benefit of a cooperative property in cases other than those allowed.
5. conviction for a crime touching honor,
6. loss of eligibility with regard to a condition of the membership conditions.
7. death.

Membership shall be removed from the date of issuing the decision of the board of directors in this respect in the first six cases and the death of the member in the last case.

The removal of the status of membership shall not lead to the withdrawal of property granted to the member except in the two cases of surrendering all the shares and repetition of benefit taking in cases other than those allowed for.

Article 34. A member may be dismissed from the society in the following case:

1. If he falls in arrears in paying his obligations to the society or his legal subscriptions within the stipulated times, despite the demands by registered mail with an acknowledgment receipt made three times with a thirty day interval between each.
2. If he has done an act which will harm the interests of the society materially or morally or will hinder its activity or harm its members or infringe on the general order or upon any obligations which the annual plan of the society states.
3. If he has absented himself from attending the meetings of the general meeting for three consecutive times without any proper excuse or without obtaining the necessary receipt or sending it to the society by registered mail with an acknowledgment receipt in reply to the invitations sent to him when unable to attend or being represented, provided that such excuse shall reach the society before the time of holding the general meeting.

4. If he has contradicted the provisions of the internal regulations. A case of violation shall be presented to the general meeting in its first meeting to consider in its respect dismissal or imposing one or more of the following penalties:

   a. delaying his seniority as regards benefit taking,

   b. depriving him of nomination for membership of the board of directors for a limited period of a maximum of two years,

   c. cessation of his membership for a maximum period of two years.

   The member of the society may not be dismissed if he has been actually granted property. In case of dismissal, membership is lost from the date of issuance of the decision of the general meeting after inviting him by registered mail with an acknowledgment receipt to give his defence even if he did not attend at the first instance. In case of his non-attendance he is to be informed of the general meeting's decision in his respect by a registered letter with an acknowledgment receipt.

   The member whose membership has been discontinued in accordance with the provisions of this article may make a complaint in this respect ot the competent administrative authority within thirty days of the date of notification of the issuance of the decision discontinuing his membership.

   The administrative authority will issue a final decision in respect of his membership after considering all the circumstances surrounding his case.

Article 35. The member may withdraw from the society on a request which he presents to the board of directors at least three months before the termination of the financial year. The board of directors will consider the request within a month from the date of presentation and shall notify the member of its decision.

The member may, in case of the refusal of his request, lodge a complaint against the decision of the board with the competent administrative authority within thirty days of the day on which the society notifies him of the decision.

The member is not allowed to withdraw in the following cases:

1. if, as a consequence of his withdrawal, there is an infringement of the society's obligations toward other parties.

2. if the society has obtained a loan from any corporate body or person and it was decided that he will benefit from part of it as he had requested, unless the lending party has agreed to reduce the amount of the loan by the amount appropriated to him or another member has requested to step in his place as concerns his rights and obligations consequent on obtaining that loan,

3. if as a result of this withdrawal the capital of the society has been reduced to less than half the amount of the capital,

4. if he was indebted to the society.

Article 36. The member whose membership has been discontinued for any reason or his heirs may get a refund of the amount he has contributed to the society proportionate to the capital of the society as of the end of the financial year during which his membership has been discontinued after deducting all the debts due from him to the society. In calculating the capital of the society there shall not be included the reserves nor the reserve for doubtful debts.

The society may refund to the member whose membership has been discontinued the value of his shares within six months from the date of approval of the final accounts of the society. The withdrawing members may not get, during any one year, more than 20% of the amount of the capital of the society provided that the remainder shall be paid during the following years and there shall be returned to the withdrawing member the full amount of his deposits. There shall not be returned to him more than the nominal value of the shares.

In case the amounts due for repayment exceed the previously mentioned proportionate sum, the total proportionate sum shall be divided among the withdrawing members in the ratio of what each has subscribed.

The amount to be refunded to the withdrawing member of the value of the shares shall be reduced proportionately by the amount of the deficit in the capital of the society according to the last approved balance sheet.

Article 37. The members dismissed or withdrawn or who surrendered their shares and whose membership has been discontinued for any other reason shall remain responsible for the period of two years from the date of discontinuing membership for the obligations resulting from the affairs of the society until the date of discontinuing membership.

If the society has been terminated or dissolved during this period their responsibilities shall extend to the date of publication of the liquidation accounts of the society.

Article 38. The member of the society has the right to transfer his shares to another member of the society.

The person surrendering and benefiting in this case is considered to be surrendering to the society the benefits accruing to him from it as a result of his membership.

The member may surrender to the society and, to no other person, the property from which he has benefited within the fifteen years following grant of the property to him. The society shall grant again the properties available to it because of surrender or discontinuation of membership for any reason, according to the provisions of these bylaws and on the following basis:

1. when parcels of vacant land are re-appropriated, it shall be revalued in the light of the prevailing prices in the area on condition that the difference between the first price and the present price will be distributed in the following manner:

   A part of it to the person surrendering it and the rest to the society. The general meeting shall determine, as a principle, the percentage of the difference which will be given to the society and the percentage to be given to the previous beneficiary in such cases.

2. The dwellings built shall be priced by an architect for the society, an architect for the person surrendering and an expert member from the general meeting chosen by the board of directors, in the light of the prevailing prices for the dwelling and the land.

   The board of directors shall put down the basis to be followed in making accounts with the person surrendering for the depreciation of the dwelling during the period of his benefit in accordance with what is cited in paragraph six of Article 19 of these bylaws and calculating 5% annual interest for the sums which he has paid on account of the building and its land and constructions.

3. The secretary of the society shall prepare, with the application of the member who desires to cede his piece of land or dwelling, a list showing all details of the piece or the dwelling such as

area - location - the price per meter - the number of installments paid - the total cost - the number of the remaining installments - the amount of each installment a general description of the building and its total cost. The application and the list shall be presented to the board of directors at the first meeting following the presentation of the application.

4. The board shall record these details in the minutes of the meeting and notify by registered letter with acknowledgment receipt, a group of a suitable number whose turn has come according to the system of priority to come to the office of the society within a period of not less than fifteen days to express their wish and to settle the demanded obligations on condition that these letters shall include all the details related to the property surrendered and the property shall bear the expense of these letters and any other administrative expenses. The secretary of the board shall arrange the wishes according to the seniority of the members who have paid the demanded obligations and who wish to replace the person surrendering. The board of directors shall determine the right of the new member to be granted the property on the basis of these considerations. The board shall record this decision in the minutes, mentioning the shape of the society, in the amount of the increase in price and the depreciation allowance.

5. If the unit surrendered is one in a common property and there were no waiting members of the society, the board of directors shall form a committee of three of the members of the board of directors and two members of the tenants of the block of flats where the residential unit surrendered is located to check the applications of applying members and nominating one to whom it will be granted on condition that the committee shall have regard to the order of his membership in the society and the extent that his conditions and abilities conform with the tenants of the block of flats and the wishes of the partners. It shall prepare a report about its decision to be presented to the board of directors who must make a decision in the light of the above.

   A copy of these minutes shall be sent within seven days from the date of the meeting to the competent administrative authority. The grant can be made only after it has been approved by that authority.

Article 39. The secretary of the society shall hand to each of its members, once his membership has been accepted, a copy of the bylaws and any other internal regulations which the society shall lay down so that he will know his rights and obligations towards the society in return for payment of an amount equal to the cost of publishing it.

Article 40. The society shall keep independent accounts for each of its members.

Article 41. The society shall keep the necessary books for the proper conduct of the work and especially the following books:

1. The commercial, accounting and financial books which the laws and the need of work require.

2. The membership and shares registration book. There shall be shown in it the name of the member; his occupation; the address of his residence; the number of shares to which he has subscribed; the date of the settlement receipt and its number; the date of his admission, resignation or dismissal or death; the penalties to which he was subjected. The change in membership and shares between members and all occuring alterations to it and membership shall be recorded in the book in the order of its approval by the board of directors in accordance with the provision of Article 34 of these bylaws.

3. The minutes book of the meetings of the board of directors and the general meeting.

4. Member's files.

5. Correspondence files.

These books should be numbered and approved by the competent administrative authority and stamped by its seal and after use and be kept permanently at the residence of the society and be presented whenever requested by the competent administrative authority and the competent cooperative union.

Article 42. The society may, within the limits of the application of Law number 109 of 1975, collect the amounts due to it from its members by administrative sequestration. It may entrust the competent administrative authority to collect these sums by this method for its own benefit and it may delegate the competent administrative authorities to take this procedure.

Chapter Five

The Board of Directors

Article 43. The society shall be managed by a board of directors consisting of[3] _____ members elected by the general meeting by secret ballot from among its members who satisfy the following conditions:

1. a citizen of the Arab Republic of Egypt and of proper conduct and reputation.

2. that he has not been previously imprisoned for any crime contradicting trust and honor unless his honor has been restored back to him.

3. that he had already paid debts due from him or subscriptions due for payment to the society.

4. that he is not carrying for his own account or for the account of others any kind of work which does not fall within the purposes of the society or contradicting its interests.

5. that he has full civil rights.

6. that he has been a member of the society for at least six months prior to his nomination.

7. that he is not working at the society or at the competent administrative authority or at any of the bodies which supervises, directs or finances the society. The societies which are formed from workers at these bodies are excepted from this condition.

8. that he is residing in the area of jurisdiction of the society.

9. that he can read and write well.

10. that he is not a member of the board of directors of another cooperative society of the same level and of the same activity.

11. that he is not a member of the board of directors of another society in respect to which a decision for dissolution has been issued or where his membership has been discontinued, unless the competent administrative authority has approved his nomination.

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3. The number of members of the board of directors shall not be less than five members.

The annual general meeting may decide to distribute the seats in the board of directors among the members of the society on the basis of grade and the areas of work or the or the residence, and members of the board shall be elected according to the decision of the mentioned general meeting.

Article 41. Membership in the board of directors shall be lost if one condition of its conditions is no longer complied with, without infringement of any stronger penalty which the Criminal Code or any other law prescribes. Membership in the board of directors may be excluded for a member by a prior decision from the competent administrative authority after making an investigation or by a decision from the general meeting after hearing his defense in the following cases:

1. if he has not attended four consecutive times the meetings of the board of directors without giving a proper excuse, provided he has been given a notice before the fourth meeting by a registered letter with an acknowledgment receipt. If he attends that meeting and gives a proper excuse his retardation is taken as ending,

2. confusing the records of the society and its papers or damaging them deliberately or misusing them or hiding them or dealing in them without a decision from the chairman of the board of directors,

3. giving incorrect information deliberately and concealing facts in order to hinder the realization of purposes of the society or to hinder supervision and control in any manner or the non-execution of the laws and instructions issued in a legal way or obtaining material or maral benefits which are illegal or not by due procedure,

4. not returning deficits in personal trusts within the time period fixed by the board of directors for this purpose or abstaining from executing the decision of the board of directors to deliver funds and trusts and constructions which belong to the society,

5. committing any of the crimes prescribed in the chapter of penalties of Law No. 109 of 1975 pertaining to the consumers' cooperative law,

6. assaulting one of the employees entrusted with the execution of the cooperative law,

7. the delay or negligence in providing services to the members in the right time as the misuse of authority and the non-observance of justice in the distribution of services,

8. doing of something which harms the financial and moral interests of the society or the proper conduct of work or hinders its activity deliberately or major negligence. The member whose membership was decided to be discontinued has to deliver what is in his trust or possession of the funds, documents, registers, books and seals of the society to the board of directors.

It is a condition for the validity of the decision issued from the competent administrative authority to discontinue membership that it should be preceded by a written investigation of the defense of the members of the board unless he absents himself without a proper excuse from appearing for investigation at the time fixed, after being notified twice by a registered letter with an acknowledgment receipt.

It is a condition if ; is case is to be considered by the society to enroll the subject in its agenda and to notify the concerned member of the time of convening it to attend and give his defense by registered letter with an acknowledgment receipt ten days at least before the time of convening the general meeting.

Article 45. If the competent administrative authority considers it in the interests of the investigation and the society to stop the member of the board of directors from exercising his office in the board till a decision is taken in the light of the investigation conducted with him, the suspension period should not extend beyond three months from the date of issuing the decision for suspension. If a decision is not taken in respect of the member whose membership has been stopped during the period referred to, then the member of the board may return to exercise his duties.

Article 46. It is prohibited that the members of the board of directors contract with the society or for the account of somebody else or in the name of his dependents by a contract of sale or rent or provisions or exploiting any of its resources or by any other contract connected with its dealings in other than what its internal regulations allow.

Article 47. The period of membership on the board is three years commencing from the date of election.

The board of directors will fill the places which become vacant for any reason during the intervening period between one general meeting and another by persons having the number of votes just below the member having the least number of votes in the last election.

The member in this case shall take the place of the member whose place became vacant for the remaining part of the membership period. If the members of the board of directors have already been chosen by recommendation or there is no person to replace the member of the board of directors whose office became vacant and the number of the members of the board is less than half its members the board of directors shall call a special general meeting to complete the number of the members of the board by secret election.[4]

The term of membership for a member of the board of directors may not be extended beyond six consecutive years. However, after the termination of this period by at least one year at least, he may nominate himself again for the membership of the board.

Article 48. The board of directors shall represent the general meeting before other parties and before the judiciary. The board shall elect in each year in its first meeting after the meeting of the annual general meeting from among its members a chairman to present it before these bodies and a deputy to replace him when he is absent. The term of any person in this capacity may not exceed three consecutive years. Any such person may be re-elected to such capacity such after the lapse of at least one year.[5]

Article 49. The board of directors shall elect from its members a secretary to the society and a comptroller and the term of work of each of them in such a capacity should not exceed three consecutive years and they may be re-elected as such after an intervening period of not less than one year. The secretary of the society shall have the following functions:

1. preparing notice for the various meetings, including the general meetings and the meetings of the board of directors, and writing the minutes of these meetings in the minutes book and signing it by himself together with the chairman of

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4. This condition shall apply from the date of election following the re-declaration of the society.

5. The calculation of the three mentioned years shall commence after declaration of the society in accordance with the provisions of these regulations.

the society and sending a copy of it to the competent administrative authority and the competent cooperative union within seven days of the date of the meeting.

2. writing all the correspondence of the society and receiving all its incoming correspondence.

3. keeping books and registering what is prescribed by laws, decisions, regulations and these bylaws and future laws and decisions.

4. keeping all the papers, documents, records of the society and its seals at its office.

The secretary of the society may ask the assistance of one of the members of the cooperative society in his work or he may request the appointment of an employee to perform that duty under his supervision after obtaining the approval of the board.

The comptroller shall carry out the following functions:

1. supervising the keeping of the sums which the board appropriates for the sundry expenses in the safe of the society provided that the necessary sum shall not exceed one month's expenses.

2. keeping all trusts, loan contracts, mortgages, receipts, payment vouchers and all papers which have a money value at the office of the society and keeping the prescribed financial and accounting books.

3. signing, together with one of two members of the board of directors chosen by the board, vouchers withdrawing sums out of the funds of the society from banks where these funds are deposited, provided that his signature on such items is the first signature.

4. supervising the receipt and the collection of funds due to the society, whether from members or others, and paying them into the bank for the account of the society as the party which the society deals by the day following the day of its collection as the paying of it according to the decisions of the center after being recorded in the cash bank.

5. following up the settling by members of their obligations and depositing them in the banks.

Article 50. Other than the functions reserved for the general meeting by the cooperative law and its bylaws and these regulations the board of directors of the society shall carry, in particular, the following duties and functions:

1. executing the objects for which the society was formed, establishing general policies for the various activities and executing the various provisions of these regulations.

2. offering all the services mentioned within the purposes of the society to all its members, having regard to justice and equality of opportunity in their distribution among them.

3. issuing decisions on matters presented to it in the light of the rules of internal regulations and the law of cooperative consumption and distributing duties among its members.

4. contracting with the general cooperative society concerning the purchase of lands, blocks of flats or renting them according to the rules laid down by the general meeting; the selection of modes of dwellings, specifications and construction material, and putting down the conditions which they should satisfy; determining the conditions on the basis of which contracts will be concluded between the society and the general society or the architects and the contractors and the suppliers and others

in case of permitting the society to construct by its own; and making the plan for execution of work and its time period and the supervision of its execution.

5. executing the decision of the general meeting and the annual plan.

6. following up the work of its committees.

7. approving the annual reports prepared by the board or its committees as the director of the society in respect of its activities in the technical and administrative fields preliminary to their presentation to the general meeting.

8. concluding the loan contracts which the society needs within the limits of the terms and conditions which the general meeting decides.

9.

a. appointing a full-time director to the society to supervise the work of the society in the administrative, technical and financial fields in the society and the extension of its activities, and fixing his salary provided that it shall be approved by the general meeting. That director shall have the right to attend the meetings of the board of directors and the right of discussion and proposal without voting. The general meeting shall decide his allowance for good performance on a proposal from the board of directors and fix the amount of the allowance and its resources.

b. appointing the necessary employees for work and reprimanding and remunerating them and following up their execution of work entrusted to them in an orderly manner according to the provisions of the internal regulations laid down by the Central Cooperative Union.

The director of the society and workers in its functional structure are prohibited from conducting any of the works carried on by the society or in violation of its interests.

c. contracting with the society's accountant, its lawyer and others in conformity with the instructions of the general meeting.

10. preparing the final accounts of the society for the previous financial year and preparing the budget for the coming financial year and the budget for the distribution of the surplus preliminary to its presentation to the general meeting.

11. making a cash inventory at the end of the year and making it consistent with the books.

12. preparing a summary of construction work and the amount of loans in the society.

13. holding regular and frequent meetings to enlighten the members about the principles and cooperative objectives and to strengthen friendship between them and get their opinion and wishes regarding the affairs of the society.

14. considering all that is presented to it by the units of the cooperative hierarchy concerning matters related to the various activities of the society.

15. forming temporary and permanent committees from its members and from other to carry out what duties are delegated or entrusted to it.

16. choosing the person who will represent the society in attending the meetings of the provincial and central unions of the General Organization for Housing and Building Cooperatives.

17. preparing the draft regulations which the work in the society requires in the light of what the central union proposes and

presenting them to the general meeting to be approved before putting them into effect. The board may delegate to one or more members the executing of all or some of its decisions. Those members have to present an immediate rep rt to the board concerning what has been concluded of this work.

Article 51. The board of directors shall inform the competent administrative authority and the competent cooperative union of the names of its members, their professions, their addresses and occupations inside the board and outside it, and also of any change in these particulars within seven days of its occurence.

Article 52. The board of directors shall meet at the office of the society on an invitation from the director, or his deputy in case of his absence, whenever there is work at the society which necessitates convening it. It is necessary for the board of directors to meet at least once a month to consider the following matters besides the other matters cited in the agenda:

1. following up the execution of the previous decisions of the board.
2. executing the plan for construction and reporting on it.
3. considering the situation regarding loans, payments, savings, expenses and the financial situation of the society.
4. following up the writing of the accounts and posting of all entries in the books and registers.
5. considering complaints of the members, investigate them and dispose of them.
6. taking an inventory of the cash at the end of the year and reconciling it with the books and making a summary of the financial state of the society.
7. making a summary of the ownership and rent situation.
8. considering directions of the cooperative units and observing their execution.
9. making a list of the members in arrears in settling their obligations to the society and asking them for a regular settlement.
10. considering any change in membership by way of an increase or decrease.

A convening of the meeting will be legal when attended by at least a majority of the board. The meeting will be chaired by the chairman or his deputy in his absence and the eldest of the members present in the case of both being absent.

The board may be convened at a place other than the office of the society, provided that all its members agree, or at the place fixed by the competent cooperative union.

The decision of the board will be issued on the matters presented, by the majority of the votes of members present and if the votes are evenly divided, the vote of the chairman will be decisive. The secretary of the board shall record the minutes of the meeting and also record its resolutions at the end of each meeting as shown in the minutes showing the place and time of the meeting and the names of the persons present and absent or absent without excuse and the decisions issued and votes taken by each resolution and shall be signed by all members present in the same meeting. Copies of the minutes shall be signed by the chairman of the meeting and the secretary and will be sealed by the seal of the society.

The board may be specially convened on the request of at least three of its members or the competent cooperative union or the competent administrative authority to consider the matters for which it is convened.

If the chairman of the meeting does not forward the invitation within a week from the date of being notified of the request by any of these parties, any of them may forward the invitation directly to convene the board at the place and in the time fixed by it.

The competent administrative authority and the competent cooperative union shall be sent copies of the minutes of the boards' meetings within seven days from the date of the meeting.

Article 53. The board of directors shall prepare at the end of the financial year the final account for the financial year ended and the budget for the coming year and the budget for the distribution of the surplus and present them with the corrobarative documents to the auditor to verify them at least two months before convening the general meeting. The following documents shall be kept exhibited at the office of the society for at least eight days before the time of convening of the general meeting: the final accounts, the budget, and reports of the board of directors, the auditor, the competent administrative authority and the competent cooperative union.

The board of directors shall convene the annual general meeting to approve the final accounts after being audited by the central cooperative union and the competent administrative authority, provided that the meeting shall be convened within at most one month from its receipt. The board shall re-adjust the accounts in accordance with the directions of these bodies before presenting them to the general meeting.

Article 54. The members of the board of directors may receive an attendance allowance for the meeting. This allowance shall not exceed LE 3 for each meeting and not exceed LE 6 per month for each member. The members of the board and its subsidiary committees shall get a refund of the traveling expenses and a lodging and traveling allowance. They shall also be refunded other expenses which they spend in respect of the affairs of the society after submitting the expenditure vouchers. All this shall be recorded in detail in the minutes of the board of directors and the books of account of the society. In all cases the fees for traveling allowance should not exceed the fees prescribed in the bylaws drafted by the society and sanctioned by the competent administrative authority.

The general meeting when necessary may set a fixed traveling allowance for one or more members of the board of directors if the nature of their work requires it.

Otherwise, the members of the board of directors may not receive any other monetary or corporeal privileges other than what the annual general meeting decides for all or part of them by way of a bonus for good performance.

Article 55. The members of the board of directors and the directors of the society are collectively responsible among themselves to the society for any obligation or compensations or loss which befall the society as a result of their actions and management of the society contrary to the law, the decisions enforcing its rules and these bylaws, the annual plan, the resolutions of the general meeting, the rules relevant to cash and corporeal lending and for actions beyond their fields of specialization or which are considered an infringement on the duties of the vigilant men during their management.

Article 56. The society may form a committee for each block of flats or for a number of blocks of flats which consists of three members and is named "The blocks of flats committee". The tenants of the block or blocks will elect its members from among themselves under the supervision of the board of directors. One of them is to be the chairman of the committee a second its secretary and a third the treasurer. This committee shall supervise the

organization of the relationship between the tenant of the block and the neighboring blocks and between them and the society.

This committee shall, on behalf of the board of directors, do the collection, maintenance and repairs and submit regular reports about its work to the board of directors and the chairman of these committees may attend the meetings of the board of directors and take part in discussions, but without voting rights.

The terms of membership in this committee is one year and its members may be re-elected.

Chapter Six

The General Meetings

Article 57. The general meeting is the highest authority in the society and it alone has the right to deal in properties, to cede rights and to write off bad debts or to impose financial obligations on the members. It may not delegate such rights to anyone else.

Article 58. The general meeting consists of all the members who have reached eighteen years of age, who have been members for two months before the date of convening it, and who have paid the cost of their shares and all obligations due from them by thirty days before the forwarding of the invitation to attend the meeting.

Article 59. The members of the society shall attend the meetings of the general meeting personally. In case it is not possible for the member to attend he may delegate another member to attend for him by private proxy which shows the full name of the person making the agency and the number of his personal or family identity card and the address of his residence according to the form prepared by the society and to be sealed by its seal. The agent will deliver it to the society at least 48 hours before the time of the meeting.

The member may not represent more than one member and if it is not possible for the member to attend or to have a deputy for him he should excuse himself from attending the meeting by registered letter with an acknowledgment receipt to be received by the society before the time of the meeting.

Article 60. If the jurisdiction of the society includes one or more governorates or the number of its members exceeds 500 members it is possible that the general meeting be formed of representatives representing the various interests of the members or the administrative units falling within the jurisdiction according to the following rules:

a. societies whose members never exceed 500 members, one deputy represents every ten members.

b. societies whose members exceed 500 members, one to represent each 20 members on condition that the number of deputies should not be less than fifty deputies.

Article 61. The special committee entrusted to make the publication procedures for the first general meeting is to be convened within thirty days from the date of publication of its bylaws. Otherwise, the competent cooperative union will invite it and it will be considered equivalent to the annual general meeting in respect of rules and regulations and its agenda will include:

1. approving the admission of subscribing members after signing the contract of incorporation and inviting them to participate in the meeting,

2. approving incorporation expenses,

3. approving the annual plan of work which was set down by the founders committee,

4. electing the members of the board of directors.

In case of incompetence of the members of the casual committee in discharging their duties, the competent administrative authority have the right to recall the founders to replace them by others.

Article 62. The annual general meeting is convened during the four months following the termination of the financial year unless the competent administrative authority has agreed to extend that time for exceptional circumstances to consider the matters cited in its agenda especially the following:

1. to discuss the reports of the board of directors and the central cooperative union and the competent administrative authority,
2. to discuss the final accounts and the budget and to approve them,
3. to approve the proposed distribution of the surplus for the last year, if any,
4. to determine the bonuses for all members of the board of directors or some of them in return for their good performance in discharging their obligations towards the society.
5. to approve the making of provisions and of reserves,
6. to discuss the approval of the annual plan of the society for the coming financial year within the framework of the general plan of the state,
7. to set the limits of lending and borrowing during the coming financial year,
8. to approve the financial and administrative regulations and the construction regulations.
9. to elect the board of directors or to complete it by election of new members in place of those whose membership has been terminated for any reason.
10. to determine the giving of a leave allowance, when necessary, to one or more members of the board of directors for the coming financial year.

The annual general meeting may consider what is included in its agenda regarding matters within the powers of the special general meeting.

Article 63. The special general meeting is called to consider one or more matters concerned with the making of an interest or the avoidance of or damage outside the sphere of authority of the board of directors and which can not be postponed. It can be concerned especially with the following matters:

1. the alteration of the financial and administrative regulations and the construction regulations,
2. the alteration of the annual plan when necessary,
3. approval of dealings transferring and limiting ownership of property,
4. writing off of bad debts or giving away part of it and approving loss in trust,
5. discussion of the report of the special board of directors and electing the board of directors in lieu of them when necessary,
6. termination of the membership of one or more members of the board of directors or the taking of a vote of confidence vote for the board,

7. completion of the number of members of the board by electing new members in lieu of those whose membership has terminated for any reason,

8. election of the board of directors because of ending of their period of service or as a result of removal of confidence in it,

9. dismissal of one or more members of the society and infliction of punishment on those who have committed a breach in applying Article 37 of these regulations,

10. approval beforehand of the entering into of commitments and making of contracts for the purchase of land and property and performing services and the grant of property to members.

Article 64. The extraordinary general meeting is called to consider the following:

1. the alteration of the internal regulations/bylaws.

2. reorganization, combination and merger.

3. the division of the society.

4. the dissolution and the liquidation of the society.

The resolutions of the special general meeting are not implemented except after being entered in the register made for that purpose at the office of the competent administrative authority and after being published in the Official Egyptian Gazette.

Article 65. The board of directors shall convene the annual, special or extra-ordinary general meeting, as the case maybe, by its own accord or on a request form the competent cooperative union as the competent administrative authority.

If it does not make a call convening the meeting within fifteen days from the date of being informed of the request by registered letter with an acknowledgment receipt, the union or the competent administrative authority may make the call directly.

The board of directors in this case shall put all particulars and documents related to the agenda and particulars about membership and those having the right to vote under the disposal of the authority which has decided to make the call.

Article 66. The call convening the general meeting shall show the agenda, the time and place of the meeting and shall be made at least ten days before the time fixed for convening it by registered letters with an acknowledgment receipt together with an advertisement made at the office of the society.

The general meeting may not consider matters other than those listed in the agenda.

Each member has one vote whatever the number of shares he owns and the deputized member has two votes and the deputy has one vote.

The meeting is to be convened at the office of the society and may not be convened at a place other than its office except on the request of the competent cooperative union or with its approval. Notice of the call to convene the general meeting is to be given to the competent cooperative union and the competent administrative authority on the same day the call is made to the members.

Article 67. Convening of the annual or special general meeting shall not be considered proper unless it is attended by an absolute majority of its members. If this quorum is not present in the fixed time the society may be convened after one hour has passed after that time by the presence of at least one-quarter of the members. If this

last qu rum is not present it shall become necessary for the competent cooperative union to make the call again during the fifteen days following the first attempt. In this case convening the meeting is considered proper if attended by any number of the members and the resolutions of the special or annual general meeting are issued by the absolute majority of the number present and if the votes are even the matter submitted for consideration is taken as refused.

Article 68. Convening the extraordinary general meeting is not considered proper unless attended by two-thirds of the members of the general meeting, whether in person or by proxy.

The resolutions of the extraordinary general meeting are issued by the consent of two-thirds of the members present. If the legal quarum for the validity of the meeting or the validity of the resolutions is not present it is not permissible to represent the matter to the extraordinary general meeting before the lapse of three months from the first time.

The resolutions of the extraordinary general meeting are obligatory on all members but if the resolution includes altering the internal regulations by increasing the limits of responsibility of the members the non-consenting member of those present or absent may resign within a month of the date of publishing the summary of the alteration in the Egyptian Official paper, this resignation is considered accepted once it is submitted.

Article 69. The various types of general meetings shall be chaired by the chairman of the board of directors, or his deputy in his absence, or the eldest of the members present in the case of both being absent. The chairman of the meeting shall appoint persons to observe the voting with the consent of the general meeting before taking the votes. The secretariat of the meeting shall be performed by the secretary of the board and in his basence by the person nominated by theochairman of the meeting after obtaining the approval of the general meeting.

Article 70. The minutes of the general meetings and its resolutions shall be recorded in the minutes book of the general meetings and shall be signed by the chairman and the secretary and those observing the voting. There shall be mentioned in the minutes the time and place of the meeting and all the names of the members of the society present and the names of persons making an agency and the names of deputies and the full number of the members of the society and the chairman of the meeting and the secretary and those observing the voting and the representatives of the competent administrative authority and the competent cooperative union. It shall also include the resolutions issued and the number of votes taken by each resolution. Copies of these minutes are to be sent to the competent cooperative union and the competent administrative authority within seven days from the date of the meeting. Note shall be taken of making a list of the names of members present and the number of membership and each should sign in front of his name and a copy of it is to be sent with a copy of the minutes to the competent cooperative union and the competent administrative authority. The powers of attorney are to be attached to the minutes and kept at the office of the society.

Article 71. The society shall arrange to have an office within its jurisdiction within the limits of its material possibilities and all papers and documents of the society are to be kept at it. The board of directors shall notify the cooperative union and the competent administrative authority of the address of the society and its working hours. It is necessary for the competent person and the workers in the society to be present at its residence during all its working days.

The office should be quite ready at any time for inspection. Regarding a change of residence the secretary must immediately notify the competent administrative authority and the competent cooperative union and all the members of the address of the new residence by registered mail.

Chapter Seven

Termination of the society - its dissolution and the liquidation of its funds

Article 72. The society is terminated when amalgamated with another society and if divided into more than one society. The extraordinary general meeting shall determine these cases and what results from amalgamation or integration or division as regards the order of membership and determining the financial situation and the distribution of assets and liabilities and fields of work and common services.

Article 73. The society is to be dissolved and its funds liquidated in the following cases:

1. if serious obstacles have risen preventing it from carrying out the work for which it was formed or it has proved incompetent to complete this work.
2. if it has lost all or part of its capital so that continuation with the work becomes an impossibility or leads to loss.
3. if it becomes impossible to carry on work in a regular way because of the frequent infringement of the basic principles of cooperation or for violations of the provisions which the cooperative law has set down as to the internal system for the society or because of serious disputes between the members.

The extraordinary general meeting will issue the resolution for dissolution entrusting liquidation to the Central Cooperative Union.

Article 74. There shall not be distributed to the member out of liquidation funds more than what they have paid for the shares and deposits due to them. No distribution may be made before publishing the liquidation accounts except within the limits and limitations prescribed by Article 82 of the law, and the remainder of the proceeds shall be deposited in a special account at the bank cited by the Central Cooperative Union in application of the rules of Article 51 of law 109 of 1975.

Article 75. The margins and notes are considered an indivisible part of this system.

BANKING

CENTRAL BANK OF EGYPT AND THE BANKING SYSTEM
(Law No. 120 of 1975)

Chapter I

THE CENTRAL BANK OF EGYPT

Art. 1 - The Central Bank of Egypt is an autonomous public legal entity which regulates the monetary, credit and banking policy and supervises its fostering in accordance with the general plan of the State with a view to developing and fostering the national economy and maintaining the stability of the Egyptian currency. The Bank shall exercise the powers and carry out the functions entrusted to it by Law No. 163 of 1957 promulgating the Banking and Credit Law, and in accordance with the provisions and rules set forth therein without prejudice to the provisions of this Law.

Art. 2 - The seat and the legal domicile of the Bank shall be the city of Cairo. The Bank may establish offices in the Arab Republic of Egypt or abroad, and may have agents and correspondents in Egypt or abroad as may be necessary for the conduct of its business.

Art. 3 - The Bank shall carry out banking operations pertaining to the Government and other public legal entities, as well as internal and external financing, and credit operations with banks pursuant to the provisions of Law No. 163 of the year 1957 referred to above. The Bank shall not carry out such operations for bodies other than those mentioned.

The Bank may authorize any of the public legal entities, referred to in the above paragraph, to deal with other banks.

Art. 4 - The Bank's funds shall be considered as private funds.

Art. 5 - The Bank shall adopt such administrative methods as usually applied by banking establishments, without being bound by administrative and financial rules and regulations provided for in Laws and By-Laws applicable to the Government and to the public sector.

Art. 6 - The Bank shall have a Board of Directors composed as follows:

- The Governor of the Bank as Chairman of the Board.
- The Deputy Governor of the Bank as vice-Chairman of the Board.
- Chairmen of the public sector commercial banks.
- Representative for each of the Ministry of Finance and the Ministry of Economy and Economic Cooperation, to be appointed by the ministers concerned.

} as members

- Three persons highly competent in financial, monetary and legal affairs.

The Governor, the Deputy Governor and the competent members shall be appointed and their salaries, allowances and remunerations fixed by a Presidential Decree. Appointment shall be for a term of office of four years period which may be renewed.

The Governor may not be removed during his original term of office nor during a renewed term.

Art. 7 - The Board of Directors of the Bank shall be the authority vested with the powers for the management of its affairs and for the regulation of the monetary, banking and credit policy and the supervision of its implementation. The Board shall also issue decisions on measures deemed necessary to achieve the purposes and objectives entrusted to the Bank to carry out pursuant to the provisions of Law No. 163 of the year 1957 referred to above, within the framework of the general plan for economic and social development, and in accordance with the general policy of the State.

In this respect the Board may resort to the following means:

a) Influencing the orientation of credit with regard to its volume, type and cost, so as to meet the actual requirements of various aspects of economic activity.

b) Participation in the arrangement for external credit for the fulfilment of the requirements of development plans, and the fostering of the national economy.

c) Adoption of suitable measures to combat general and local economic or financial disturbances.

d) Fixing discount rates as well as debtor and creditor interest rates for banking operations in accordance with their nature and term and the need thereof in conformity with the monetary and credit policy and without being bound by the ceilings stipulated in any other legislation.

e) Control of banks so as to ensure the soundness of their financial positions, whether they are State-owned, joint ventures or branches of foreign banks.

f) Management of the State gold and foreign exchange reserves, and the regulation of the foreign exchange movement between the Central Bank and the other banks.

g) Participation in the preparation of the State's foreign exchange budget and its implementation within the framework of the general policy drawn up by the Ministry of Finance in agreement with the Ministries of Economy and Economic Cooperation, Trade, Planning and Supply and with the Central Bank.

h) Coordination between the regulations and decisions referred to in Paragraph (h) of Article 19, and their approval without prejudice to the provisions of Article 22 of this Law.

i) Approval of the profit and loss account, the balance sheet as well as the report of the Bank on its financial position and operations as stipulated in Article 12 of this Law.

j) Approval of the organisational structure of the Bank on the proposal of the Governor.

k) Issuance of regulations concerning the conditions of service, staff salaries and wages together with their remunerations, privileges and allowances, as well as the rates of their travelling allowances internally and abroad.

In adopting resolutions according to items (j) and (k) of this Article, the Board of Directors shall not be bound by the rules and regulations stipulated in the Decree Law No. 58 of the year 1971 promulgating the Code of the State's Civil Servants and the Decree Law No. 61 of 1971 promulgating the Code of the Public Sector's Service.

Art. 8 - The Governor shall manage all the Bank's affairs in compliance with the decisions of the Board of Directors.

Art. 9 - The Central Bank has the right to examine the books and records of the banks at any time, so that it may ensure obtaining the information and clarification it deems appropriate to achieve its objectives. Such examination shall take place in the premises of each bank, and shall be carried out by the Central Bank inspectors or their assistants who are delegated for this purpose by the Governor of the Central Bank from a list approved by the Minister of Economy and Economic Cooperation. The Central Bank shall report the inspection results and the Bank's recommendations to the Minister of Economy and Economic Cooperation.

Art. 10- The Bank's financial year shall start with the beginning of the financial year of the State and shall end with its closing.

Art. 11- The auditing of the Bank's accounts shall be annually entrusted to two auditors who will be appointed and their fees fixed by the Central Auditing Agency. This auditing shall be in lieu of the control of the Agency.

The Bank shall avail the auditors of whatever documents, books and data they may deem necessary to carry out such auditing.

Art. 12- The Bank shall, within three months following the end of the financial year, prepare the following:

a) A profit and loss account for the financial year which has ended, in accordance with the practice followed by banking institution;

b) A balance sheet for the Bank, signed by the Governor and the auditors, drawn up according to the principles of financial accountancy followed by banking institutions;

c) A report on the Bank's financial position and operations during the financial year which has ended. The report shall review in particular, economic conditions as well as monetary and banking developments in Egypt.

The above-mentioned profit and loss account, balance sheet and report, shall be submitted to the Minister of Economy and Economic Cooperation within a week from the date of their approval by the Board of Directors.

Art. 13- The Bank shall submit to the People's Assembly, within three months following the end of the financial year, an annual report on monetary and credit developments in the Arab Republic of Egypt.

Art. 14- The Statutes of the Bank shall be issued by a Presidential Decree. Pending the issuance of the said Statutes, the present Statutes of the Bank promulgated by Decree No. 2336 of the year 1960 shall remain in force, without prejudice to the provisions of this Law.

Chapter II

THE BANKING SYSTEM

Art. 15- The term "commercial banks" shall be held to mean banks that usually accept deposits payable on demand or within fixed periods; carry out internal and external financing and the servicing thereof in such a manner as to achieve the objectives of the development plan and the State's policy as well as the fostering of the national economy; effect operations for the promotion of savings and for the financial investment locally and abroad, including participation in the establishment of projects as well as the banking, commercial and financial operations pertaining thereto, in accordance with the conditions laid down by the Central Bank.

Art. 16- The term "specialised banks" (non-commercial banks) shall be held to mean banks that carry out banking operations serving a specific type of economic activity, in conformity with their constituting decrees, and for which the acceptance of demand deposits is not one of their main fields of activity.

Art. 17- The term "investment and business banks" shall be held to mean banks that carry out operations related to the pooling and promotion of savings for the sake of investment in accordance with the economic development plans and the policies envisaging the fostering of the national economy. In this respect such banks may establish investment companies or other companies exercising various types of economic activity. They may also undertake financing of Egypt's foreign trade operations.

Art. 18- Each of the public sector banks, whether commercial, specialised, or investment and business banks, shall have a Board of Directors composed of:

a) a Chairman,

b) a Deputy-Chairman,

c) three members from the bank's managers,

d) two highly competent persons in financial and economic affairs.

The Minister of Economy and Economic Cooperation shall, on the proposal of the Central Bank's Governor, nominate the Chairman, the Deputy-Chairman and the members of the Board, who shall all be appointed by a Presidential Decree.

The salaries as well as the allowances and remuneration of the Board's Chairman, Deputy-Chairman and the two competent members, shall also be fixed by a Presidential Decree.

Art. 19- The Board of Directors of each of the public sector banks referred to in the preceding Article, shall be the authority vested with the powers for the management of its affairs. The Board shall lay down the credit policy to be followed and supervise its implementation in accordance with the

economic development plan, the promulgation of decisions on measures it deems necessary for achieving the purposes and objectives entrusted to the bank pursuant to the provisions of Law No. 163 of the year 1957 referred to above within the framework of the general policy of the State.

The Board, within the field of activity of each bank, may resort to the following means:

a) Participating in and servicing of local and external financing operations, in accordance with the economic development plan and the conditions laid down by the Central Bank.

b) Effecting operations for the promotion of savings and for the financial investment locally and abroad, in accordance with the general policy of the State and the conditions laid down by the Central Bank.

c) Participating in the establishment of projects, and of investment and trust companies.

d) Carrying out banking operations - financial and commercial - in conformity with Law No. 163 of the year 1957 referred to above, and with the Decree constituting the bank and its statutes.

e) Approving the draft budget as well as the final accounts and the balance sheet of the bank.

f) Issuing regulations and decisions relating to the bank's operations, its financial and technical affairs, methods of administration, and programmes of work.

g) Approving the organisational structure of the bank on the proposal of the Chairman of the Board of Directors.

h) Drawing up the regulations concerning the conditions of service, staff salaries and wages, together with their remunerations, privileges and allowances, as well as the rates of their travelling allowances internally and abroad.

In adopting resolutions according to items (f), (g) and (h), the Board of Directors shall not be bound by the rules and regulations stipulated in the Decree Law No. 56 of the year 1971 promulgating the Code of the State's Civil Servants, the Decree Law No. 60 of the year 1971 promulgating the Organisations and Public Sector's companies Law, and the Decree Law No. 61 of the year 1971 promulgating the Code of the Public Sector's Service.

Chapter III

GENERAL AND CONCLUDING PROVISIONS

Art. 20- Investment and business banks shall be subject to the provisions of Law No. 163 of the year 1957 referred to above, which are consistent with the nature and functions of these banks.

The Board of Directors of the Central Bank may issue general rules concerning control on the aforementioned banks, in conformity with the provisions of the said Law.

Art. 21- Decisions of the Board of Directors of the Central Bank as well as of the Boards of public sector banks, and the

decisions of their chairmen, shall be enforced without having to be approved by a higher authority, in the following cases:

a) Credit and banking operations carried out by the Central Bank and public sector banks, where they do not violate the provisions of Law No. 163 of the year 1957 and the executive regulations pertaining thereto.

b) Cases of appointment, promotion, lending, delegating, transfer and travelling on mission, except with regard to Board members, as well as penalties without derogation from the power of the Disciplinary Court.

c) Sending employees on official missions.

Art. 22- The Board of Directors of the Central Bank shall be vested with the powers of the General Assembly, with regard to public sector banks, in respect of the following matters:

a) Approval of the balance sheet, the profit and loss account, and the distribution of dividends.

b) Authorising the bank to utilise the appropriations for purposes other than those specified in the bank's balance sheet.

Art. 23- The Board of Directors of the Central Bank shall be empowered to approve the financial plan of the Central Bank and the public sector banks as well. Its decision in this respect shall be final.

The State Budget shall not comprise the current and capital resources and utilisations of the abovementioned banks.

The net profits of those banks, after deduction of the amounts to be allocated as reserves, shall accrue to the Treasury.

Art. 24- As exception from the provisions of Laws, regulations, and decisions governing importation, the Central Bank and the public sector banks shall be allowed to import without licenses - subject to inspection either by themselves or through other parties - such machines, apparatuses and equipment including electronic computers necessary for the conduct of their business. Such cases shall be exempted from submission to Determination Committees.

Art. 25- Pending the issuance of regulations referred to in paragraph (k) of Article (7) and paragraph (h) of Article (19), present By-Laws applied in the Central Bank and the public sector banks shall remain valid, where they do not contradict with the provisions of this Law.

Art. 26- The phrase (Minister of Economy and Economic Cooperation) shall substitute that of (The Minister of Finance and Economy) wherever mentioned in Law No. 163 of 1957 referred to above.

Art. 27- Provisions of Law No. 163 of 1957 referred to, shall be applicable wherever a special clause is not provided for in the present Law and where they do not contradict with the provisions thereof.

Provisions of Chapter II Section 6 of Decree Law No. 60 of 1971 promulgating the Law of General Organisations and Public Sector Companies, shall also apply to the Central Bank of Egypt.

Art. 28- As exception from the provision of Article 29 of Law No. 26 of 1954 relating to Joint Stock Companies, Partnership and Limited Liability Companies, chairmen and members of the boards of directors of public sector banks, may represent their banks on the boards of joint banks established in accordance with Law No. 43 of 1974 on the Investment of Arab and Foreign Funds and Free Zones. Such representation shall be in accordance with rules to be issued by a decision of the Board of the Central Bank.

Art. 29- The Minister of Economy and Economic Cooperation is authorised to issue, within three months from the date this Law comes into force, the decisions necessary for its implementation.

Art. 30- Boards of Directors of the Central Bank and the public sector banks as constituted at present shall continue to exercise the powers conferred upon them pending the issue of the decisions for the formation of the Boards of Directors for these banks in conformity with the provisions of this Law.

Art. 31- Law No. 250 of 1960 relating to the Central Bank of Egypt and the National Bank of Egypt, and all provisions contradictory to the provisions of this Law, are hereby cancelled.

Art. 32- This Law is to be published in the Official Gazette, and shall come into force as from the date of its publication.

This Law shall be stamped by the seal of the State and shall be enforced as one of its Laws.

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BYLAWS OF THE CREDIT FONCIER

Bylaws

The bylaws of the Egyptian Estate Bank amended by decisions issued by its general meetings covened in an extraordinary way on November 30, 1881, and on April 5, 1883, and on January 15, 1904, and on July 8, 1905, and on February 27, 1909, and on May 7, 1924, and on January 27, 1953, and on April 30, 1958.

Chapter One

The name of the company--its object--duration--central office.

Article (1)

The company is to be identified in the name of the Credit Foncier Egyptien and its objects are:

1. To lend owners of property in the Arab Republic of Egypt and in other Arab countries amounts guaranteed by estate mortgages to be repaid either on long periods and on annual installments or for short periods through amortization or without it.

2. The circulation and issue of estate debentures or mortgage debentures to be repaid in its nominal value or in that value plus the bonus and to be with or without share and with or without interest to be paid on either periodical periods or to be added to the capital up to a fixed date then to be repaid with the original sum of the debt provided that these debts will not exceed the amount of the borrower's obligations.

The company is authorized, apart from what is mentioned above, to lend in the Arab Republic of Egypt and in all Arab countries the councils of the directorates, the municipalities and the syndicate societies affiliated to the government provided it obtains a special permit for that and the syndicate societies independent of the government and asylums and public corporations and companies with concessions serving public services on condition that the entire of these loans shall be made against appropriating an estate mortgage as without it.

The company shall also be authorized to buy debts guaranteed by estate mortgages and to open credits on current account whether against appropriating an insurable estate mortgage or by the mortgage of movables,and it is allowed to deduct debts guaranteed by movables.

The company is allowed to contract with insurance companies, whether those represented or those taking the Arab Republic of Egypt as their residence,to facilitate clearing the borrower's obligations.

The company may have an interest in, or participate in any way with, the bodies carrying work similar to its work or which might help her to realize its object in the Arab Republic of Egypt or abroad, or to be amalgamated in it or to buy it or to affiliate it to it.

Article (2)

The company shall be authorized to accept deposits whether they are cash money or movables.

Article (3)

The period of the company is fixed by ninety-nine years starting from January 1, 1880, and the head office of the company and its legal residence shall be in the city of Cairo,and the board of directors may open branches or offices as agencies in the Arab Republic of Egypt or abroad.

Chapter Two

The capital of the company--the shares--the payments

Article (4)

The capital of the company is fixed by eight million pounds , and the capital shall be appropriated to guarantee the obligations entered into by the company, and shall be divided into four hundred thousand shares, each of the value of twenty Egyptian pounds.

The board of directors shall fix the amount of capital to be paid, and the manner of this payment and its times.

In case of increasing the capital of the company and issuing new shares, it is not allowable to offer these shares at less than its nominal price. The holders of shares previously issued have priority, in the ratio of the shares in their possession, to subscribe in half the shares contemplated to be issued.

The board of directors shall fix the times and conditions to ask to take advantage of these provisions.

Article (5)

The value of the shares is to be paid in Cairo in the head office of the company, and it is also permissible to pay it in any other town or city specified by the board of directors, and this shall be according to the conditions laid down by the board. The company shall not be considered finally incorporated but after the payment of one quarter of the value of the capital.

After payment of the first quarter, the subscribers shall receive a voucher with a serial number on which shall be written all later payments.

The company may request the payment of all or some of the amounts remaining to be paid of the value of the issued shares according to the immediate needs, by advertisements to be published a month before in two newspapers, at least one of them being issued in Cairo.

Article (6)

Every amount due for payment and in arrear shall be subject to the legal interest for the benefit of the company, starting from the due date, without the need to a judicial demand.

Article (7)

Where payment is behind the due date, the numbers of the shares in arrear shall be published in two newspapers, at least one of them being published in Cairo.

The company has the right, after the lapse of one month from the date of that issue, to put the shares on sale in the stock exchanges of Cairo or Alexandria, or other cities decided on by the board of directors, through brokers for the account of the person in arrear and on his responsibility without the need to be executed or taking judicial steps.

The sold shares become definitely cancelled and new shares are to be delivered to the buyers, having the same numbers.

Each share not including a true declaration about the payment of the payments due shall become invalid for circulation.

The arrangements authorized in accordance with this article will not prevent the company from asking the person in arrear in the same time by the ordinary legal channels.

Article (8)

The price resulting from sale after deducting expences shall be due to the company, and shall be deducted in accordance with the provisions of the law from what is due to the company from the shareholder whose share has been taken away, but to remain responsible for the difference if there is a deficit, and to take benefit of the excess, if there is any.

Article (9)

All the shares of the company are to be nominal, and these shares are to be taken out from a voucher book, and to be numbered, and to bear the signature of two members of the board of directors, and to be stamped by the stamp of the company.

Article (10)

The shares shall circulate by a cession to be recorded in the registrars of the company, and the ceding party has to sign a declaration of cession, and the party ceded to has to sign a declaration of acceptance of the cession, and the two reports are to be delivered to the company.

The property in the share shall not be transferred, whether between the parties or towards the company, unless the transfer has been recorded in accordance with these two reports in the registrars of the company, and to be signed by two members of the board of directors of by two agents for that board.

The company may ask that the signature of the two parties and their eligibility be sanctioned by a bank or brokers of financial securities recognized in Cairo or Alexandria, or any other city

nominated by the board of directors, and the company in this case shall not be responsible for the correctness of the transfer of the property in the shares.

Article (11)

Each shareholder shall deposit his shares in the safe of the company, and shall ask for a receipt in his name in return.

The board of directors shall determine the conditions, and the manner of delivery, and the expense of depositing, and the return for the shares.

Article (12)

Each share gives the right to a share in the ownership of the capital of the company, and in the distribution of the profits proportionate with the number of shares issued.

Article (13)

The shareholders are not obliged except within the limits of the capital of each share, and it is not permissible to ask them for new sums exceeding that limit.

Article (14)

Shares are not divisible, and the company does not recognize except one owner for each share.

The rights and obligations attached to the share follow it from hand to hand.

Possession of the share necessitates compliance with the rules of the bylaws of the company and to the decisions of its general meeting.

The heirs of the shareholder or his creditors are not allowed for any reason to ask to put the stamps on the funds of the company and its movables, or to ask for its division and sale by auction, nor to interfere in any way in the management of the company. They have, in order to exercise their rights, to refer to the stock-taking lists and the minutes of the general meeting.

Chapter Three

Section One

The board of directors

Article (15)

The company is managed by a board which consists of sixteen members, at most, and eight members, at least, appointed by the general meeting.

With the exception of what was previously mentioned, the founders mentioned in the company's contract shall appoint the first board of directors, and this first board shall carry out its functions for

five years, and, after the lapse of the mentioned period of five years, one-fifth of the members of the board of directors shall be renewed every year.

The members leaving are to be nominated by election, and it is possible to reelect them, and renewal after that will be according to seniority.

Each of the members of the board of directors who was domiciled in the Arab Republic of Egypt at the time of election and then left the country, his membership on the board of directors shall then drop because of that departure.

Article (16)

Each member of the board of directors should own one hundred shares, and these shares shall be considered not for circulation and to remain deposited in the company's safe throughout the duration of the period of his office.

Article (17)

If one office or a number of offices in the board of directors becomes vacant, the board shall fill it temporarily, and then the general meeting shall carry the final election in its first meeting.

The appointed member shall not continue in his office in place of his predecessor in performing the duties of his office beyond the period of termination of office of the previous member.

Article (18)

The board of directors shall appoint from among its members a director and a deputy director. If both are absent, the board appoints the member to be entrusted with directorship temporarily.

Article (19)

The board of directors is to be convened at the residence of the company whenever that would be in its own interests, and on the request of the director or on an application presented to the director by another member from among the members of the board of directors, and the names of the members present are to be recorded in the preface of the minutes of every meeting.

Decisions are to be issued by the majority of votes of members present, and in case of equality of votes the board shall postpone examining the proposal till the following meeting, and if votes are once more equal the proposal is to be considered refused.

For the validity of the discussions three of the members of the board of directors should be present.

If three of the members are present, it is necessary for the validity of the decisions to be issued collectively.

It is not permissible for one of the members to vote in the board of directors in lieu of somebody else.

It is permissible for the board to delegate all or part of its authority to one of the members, or to some of them, by a special agency to perform certain duties or for a limited period of time.

Article (20)

The discussions of the board of directors are to be recorded in minutes to be entered in a special register kept at the head office of the company, and be signed by the director and another member from among the members present.

The director or his deputy shall sanction the copies of these discussions or extracts desired to be presented to the judiciary or other bodies.

Article (21)

The board shall discuss the work of the company, especially all agreements, reconciliations, cordial adjustments, the employment of money, the transfer of revenues of the state or other values, and the purchase of debts or other moral rights, and the transfer of these rights with or without a guarantee, and the leaving of insuring mortgages, and the ceding of all corporeal or personal rights, and the crossing out of objections or entries of estate mortgage without compensation, and the claims presented before the judiciary whether the company was the plaintiff or the defendant.

It can authorize, if necessary, the purchase of properties on which to erect the residence of the company, and also the purchase of properties by way of public auction to ensure the collection of the amounts due to the company.

Nevertheless, if the original bidding price exceeds ten thousand Egyptian pounds, it is not allowable for the company to buy it by auction for a sum which exceeds its demanded value of capital and arrears interest and legal attachments for more than one quarter of this value.

It can also authorize the sale of these properties or its barter, either cordially or by way of auction, on condition that the difference in price which the company pays in the case of barter shall not exceed one-fourth of the value of the property exchanged.

The board shall also discuss the regulations regulating its internal affairs, and the general contract stipulations, and the acceptance of loan requests, and the launching of company's debentures, its issue, purchase and sale, and the lending by depositing debentures as a guarantee or mortgage debentures, and the loans wanted to be contracted against an insuring mortgage or without it, and the administration expenses, and the agreements to be made with insurance companies to ease clearing debtors' obligations or other types of agreements which aim to achieve the same object within the limits of the cases prescribed in article one, and the establishment of branches or departments or agencies for the company or the closing of it.

The council shall also discuss the annual accounts to be presented to the general meeting, and the determination of profit shares, and to discuss at last the proposals presented to this general meeting concerning the increase of the capital of the company, and the adjustments to be introduced to the bylaws, and extending the term of the company, and its dissolution when necessary.

Last, the council shall consider all interests which pertain to the management of the company.

Article (22)

The members of the board of directors shall not be obligated by any personal obligations because of the duties of their office, and shall not be asked but for the execution of work entrusted to them.

Article (23)

The board may appoint from among its members one or more delegated members, and the board shall determine their specializations and allowances.

The president, the vice-president and the delegated members of the board of directors, individually or collectively, have the right to sign on behalf of the company according to the decision of the board, and any other member delegated by the board for that purpose.

The board of directors also has the right to appoint one or more directors or delegated agents, and to empower them to sign for the company individually or collectively.

Article (24)

The members of the board of directors shall receive allowances for their attendance, the amount of which will be fixed by the general meeting, and they shall be appropriated apart from that a share in the net profits in accordance with the provision of article 77.

Section Two

Comptrollers

Article (25)

The company shall have two comptrollers appointed by the general meeting and, exceptional to the above, the founders shall appoint in the contract of the company the first comptrollers who will be renewed annually, and it is always permissible to reelect them.

In the case of death of one of the comptrollers or his withdrawal, the board of directors shall take the necessary arrangements to appoint a second comptroller. The two comptrollers shall receive an annual allowance to be fixed by the general meeting.

Article (26)

The two comptrollers are entrusted to observe the application of current laws and the provisions of the company's bylaws strictly. They are to observe floating debentures and their issue.

Section Three

The General Meeting

Article (27)

The general meeting properly constituted represents the whole of the shareholders, and it is made up of all the shareholders who own at least ten shares, and this number of shares gives right to one vote, and twenty shares give right to two votes, and thus one vote is added for each ten share after the first ten.

Article (28)

Every shareholder who wishes to participate in the general meeting has to prove that he has deposited his shares at the head office of the company, or at the places fixed by the management, at least three days before holding the meeting, unless the board of directors decides on a longer period.

Article (29)

The general meeting shall be convened each year at the head office of the company during the six months following the end of the financial year, and it shall be convened otherwise in an extraordinary form whenever the board of directors considers that necessary, or if the two comptrollers together decide to convene it.

Article (30)

The general meeting is to be convened at least fifteen days before the meeting by an advertisement to be published twice in two newspapers, one of them being issued in Cairo, and it is permissible to forward the invitation by registered letters.

Article (31)

The discussions of the general meeting are proper if the shareholders present for themselves or in lieu of others represent one-quarter of the capital of the company.

If this condition is not fulfilled in the first meeting, the general meeting is convened for another sitting to be held after the lapse of at least fifteen days from the date of the first meeting, and the discussions of the meeting are to be considered proper in its second meeting, whatever the number of members present or the number of shares represented in it.

Article (32)

The meeting is to be presided over by the head of the board of directors, and when absent it is to be presided over by the delegated member of the board or the eldest of the board members.

The two share holders who own from among those present the largest number of shares have to check the number of votes,

and the bureau will appoint the person who will carry out the secretarial duties.

Article (33)

Decisions are to be carried by the majority of votes of members present and, in case of equality, the vote of the chairman will be the weighing vote.

Article (34)

When the general meeting is called to discuss the alterations to be introduced to the bylaws of the company, or the increase of its capital, or the prolongation of its period, or its dissolution before its termination, or amalgamating it with another one company or more, the formation of the general meeting will not be proper in its first meeting, and its discussions will not also be proper unless the shares represented are at least half the capital of the company.

And in its second meeting, which is called after at least eight days from its first meeting, the discussions of the meeting will be proper whatever the number of members present or the number of shares represented in the meeting.

Article (35)

The board of directors shall determine the agenda, and it is not permissible to discuss matters other than those enrolled in that agenda.

Article (36)

The report of the board of directors shall be read in the general meeting concerning the state of affairs of the company, and also the report of the comptrollers will be read, and the general meeting will then appoint the members of the board and the comptrollers whenever there is need to replace them by others.

There shall also be read the reports submitted to it concerning the accounts, and the meeting shall discuss them and approve them if it considers that necessary, or ask for it to be corrected.

The meeting shall determine the shares of profits which it distributes to the shareholders, and determine what it sees concerning the interests of the company within the scope of the bylaws, provided that it shall follow, when asked to vote on the matters indicated by article 34, the dictates of that article.

When the general meeting is convened to sanction the balance sheet and the accounts and to distribute the shares of profit, the report of the comptrollers should be read before discussion; otherwise it will be invalid.

Article (37)

The decisions of the meeting issued according to the bylaws of the company are obligatory on all the shareholders, even those absent or contradicting in opinion.

Article (38)

The discussions of the general meeting are to be recorded in minutes to be entered in a special register kept by the company, and to be signed by the majority of the members forming the bureau.

There shall be attached to the minutes a list of attendance, to be entered on it the number of members who attended the meeting and the number of shares which they represent, and there shall be also attached to it copies of newspapers proving the incidence of publication, and these papers shall be signed by the same signatures.

Chapter Four

Loan Conditions

Article (40)

The company shall advance loans on property of two kinds:

Loans to be repaid on long terms by annual instalments to be calculated by amortization during ten years at least and fifty years at most.

And loans to be repaid on short terms with or without amortization.

Borrowers may request that the loans be paid in cash and not otherwise.

Article (41)

The company shall not advance loans to the owners of property except by making a first-degree mortgage of property.

To be included among the loans considered as first-degree property, those loans out of whose amount the demands of mortgages having priority are to be met, and as a consequence of this repayment or the company stepping in their place, such loans shall occupy the place of first-degree property solely and especially.

In this case the company shall reserve, under its hand-out of the original borrowed sum, an amount large enough to ensure for itself the class of first-degree property.

If the property were burdened by limitations resulting from insuring mortgages consequent upon non-repayable loans or not due for payment, the company may nevertheless allow the loan, on condition that the amount of the loan authorized in capital and attachments of any kind added to the registered capital shall not exceed sixty percent of the value of the property, according to the provision of the following article number 44.

Article (42)

The company shall not advance loans guaranteed by mines and quarries.

Article (43)

The company shall not authorize long-term loans except on property with a permanent and assured income.

Article (44)

It is not permissible that the amount of the loan exceed sixty percent of the value of the property, and the buildings of factories and laboratories will not be evaluated except on the basis of its value, and its industrial set-up shall not be taken in that assessment.

Article (45)

It is not allowable in any case that the amount of the annual instalment which the borrower undertakes to pay by a loan repayable on long terms exceed the net proceeds resulting from the property.

Article (46)

It is permissible for the board of directors in exceptional cases to contravene this rule.

Article (47)

The annual instalment shall be repaid in cash and it shall consist of: 1) interest; 2) amortization fixed by the rate of interest on the loan and the time period it shall occupy; 3) an annual share as commission fees and administration expenses which shall not exceed two percent.

Article (48)

The instalments shall be repaid in the times and according to the conditions determined by the board of directors.

Article (49)

Lagging in the repayment of the instalment due on the debt in full takes place after the lapse of one month from notifying the debtor.

Article (50)

The debtors have the right to repay what is due from them completely or partly in a speedy manner after six months from notifying the company about it, on condition that the repayment in this last case will not be less than one-fourth of the value of the loan or the sum of five hundred pounds.

Article (51)

The funds for speedy repayment shall be collected according to the choice of the debtor, either in cash or property debentures or mortgage debentures, of the issued denomination shown in the contract.

Each of the borrowers who ask for the payment of the amount of his loan in cash is not permitted to give a clearance for it except in cash.

In all cases where the original sum of the debt becomes due for payment as a result of falling behind in the payment of the annual instalment, or because of any other infringement of the rules of the loan contract, the repayment of the original debt shall be only in cash.

A compensation for the benefit of the company will result from the speedy repayment and from the repayment resulting from judicial procedures taken after the original su f the debt becomes due, not exceeding six months interest.

The funds resulting from speedy repayment collected in cash, and all other funds which the company sees proper to collect by other means, are to be appropriated for the same purpose either in the amortization of property debentures or mortgage debentures, by election or otherwise, or in the purchase transaction, or in contracting for new loan operations.

Article (52)

The borrower has to notify the company of his total or partial dealings which he affects on the mortgaged property, and this to be served by a notary, and during the month following its occurence.

It is permissible for the company, in case of non-notification within the mentioned month, to request him for the repayment of its full claims towards him, and it also has the right to ask for the compensation prescribed in the case of speedy repayment.

Article (53)

The borrower also has to notify the company, through a notary and in the time shown above, of what befalls the mortgaged property of damage, and of all occurences which may diminish its value or disturb its possession or the infringement of its ownership, or he will bear as a consequence the same compensation when repayment is due.

If the borrower does not make this notification, and in any case if the above mentioned incidences will damage the rights of the company, it may ask for the repayment of its claim, and it may ask also for an extra guarantee in case of diminishing the value of the mortgaged property.

Article (54)

The debt shall also be due and becomes due for repayment, and the company shall be entitled to compensation for speedy repayment in case of concealing the preventing reasons for dealing in the mortgaged properties to the company, or requiring breach whether that was caused by him or caused by previous owners to him.

Article (55)

Properties liable to fire should be insured with one of the insurance companies recognized by the Egyptian Estate Bank at the expense of the borrower, unless the mentioned bank is a mortgager for his debt,in addition to the things liable to fire of other properties not liable to fire which equal in value two-thirds of the borrowed sum.

The contract of the loan includes transferring the compensation to the Egyptian Estate Bank in case of fire, and the insurance should be continued with throughout the period of duration of the loan.

It is permissible for the mentioned bank to ask for the insurance to be made in its own name and for the repayment of the amount of the annual instalments by him, and then the amount of the insurance instalments is to be added to the annual instalments of the loan.

Article (56)

Where the property is burned, the Egyptian Estate Bank shall receive the amount of the compensation from the insurance company directly, and shall reserve under its hand the full amount of his claim, and the remaining amount shall be paid then to the owner of the property owned.

Article (57)

If the company considers that its rights are liable to be lost because of fire, it is permissible for it to ask for the repayment of the remainder of its claim.

Article (58)

In concluding the loan, the borrower has to present the vouchers proving the payment of taxes in arrear and taxes due for the current year; otherwise the company shall repay them, and its amount will be deducted from the original sum of the amount borrowed.

The borrower shall also be obliged to present, in the month of January of each year and throughout the period of duration of the loan, what proves payment of the taxes which he owes from the previous year, and if delay bears on the guarantee of the loan, it is then permissible for the company to ask for the full payment of its claim, and it has the right, in addition to the above, to ask for the compensation prescribed in case of speedy repayment.

Article (59)

The property to be mortgaged as a guarantee for payment is to be evaluated according to the documents of ownership, and the rent contracts, and the other particulars which the owner asking for the loan presents.

It is permissible to the company, in addition to the above and in any time it wants, to request one of its experts to examine the property.

The evaluation in all cases will be on the basis of net rent and the present sales value.

The borrower shall bear the expenses necessary for that.

Article (60)

When the validity of ownership is proved and the guarantee was sufficient, the board of directors shall determine the amount of the loan to be authorized, and then sign the contract designated by the condition, and then declare the list of the entry in the name of the Egyptian Estate Bank.

In case of the non-appearance of such an entry preceding the Egyptian Estate Bank's entry, or any corporeal right appertaining to the mortgaged property as evidenced by the estate certificates required to be extracted, and also in case such entries and the corporeal rights do not hinder the process of the loan procedures as a result of the application of the last paragraph of article 41 indicated above, the final contract will be drawn to pay the amount of the loan, and there shall be mentioned in that contract the completion of the procedures and the payment of the amounts or the cash making the amount of the loan, and then the commencement of the running of the annual instalments.

Contrary to that, if the estate certificates proved the presence of previous dealings, the payment of the loan shall be stopped, and the delegated member of the board of directors alone shall delete the mortgage entry.

The borrower shall bear all the expenses relative to the contracts, and such other expenses which the request of the loan requires, even if the amount of the loan is not paid.

Article (61)

The Egyptian Estate Bank may also, if it considers proper, and on condition of taking all suitable precautions to prove the loan and arranging for the insuring mortgage in one contract, and it is also permissible to contract through a contract to open credit and making the insuring mortgage which will rank from the day of publishing the list of entry relevant to it despite the payment of the amounts of the loans on a subsequent date to this arrangement, or despite the non-writing of a formal contract to prove the payment transaction.

Chapter Five

Estate Debentures and Mortgage Debentures

Article (62)

The estate debentures issued by the company are bearer debentures and it is either long-term or short-term debentures, and it will be, with or without shares, and to be repaid in its nominal value or in that value plus the bonus.

Article (63)

The property in bearer debentures is to be transferred by mere delivery.

Article (64)

It is not permissible that the estate debentures exceed the amount of the obligations by which the estate borrowers are bound, so that the annual instalments due on them always equal, at least, the annual instalments which the serving of the debentures requires.

Article (65)

It is not permissible to issue debentures of a value less than ten Egyptian pounds.

Article (66)

The bearer of estate debentures has no right to be crossed with the company to collect capitals and due interest, except by bringing a case in court against the company directly to which they are entitled apart from any other cases in court.

Article (67)

The estate debentures shall carry interest whose rate shall be determined by the board of directors together with the times of payment and the manner of repayment, and it is permissible to issue debentures the frozen interest on which will not be paid except on the repayment of capital. And whatever the form of debentures, the interest is to be paid to the bearer of the coupons (vouchers), and this payment is to be considered correct.

Article (68)

The vouchers identifying the estate debentures are extracted from a voucher book, and are to be signed by two members of the board of directors or their delegates and to be stamped by the stamp of the company.

Article (69)

The board of directors may authorize that the debentures are to be deposited and kept in the safe of the company and to be exchanged for a nominal deposit certificate till it is withdrawn. The board of directors shall determine the conditions of this deposit, and the manner of delibery, and the expenses of the certificate, and the expenses of dealing in these debentures.

Article (70)

The long-term estate debentures are to be issued without a fixed date for the due payment of the capital and to be repaid by election, and every draw for amortization shall deal with the necessary number of debentures, so that the remaining debentures in circulation will not exceed at all the obligations which the borrowers undertake for the amount of capital remained to be repaid from estate debentures.

Article (71)

It is permissible to appropriate the debentures with shares and with bonuses to be paid on repayment, and the board of directors shall determine its amount and its distribution.

Article (72)

The withdrawal of the debentures to be repaid by election is to be carried by one member of the board of directors, or any of his delegates of authorized agents, and in the presence of one of the comptrollers.

Article (73)

Advertisements are to be stuck for the numbers which are to be withdrawn within the twenty days following the election operation at the head office of the company in the stock exchanges at Cairo and Alexandria, and to be published in two newspapers, at least one of them being issued in Cairo, and also in the official paper.

Article (74)

The debentures which are withdrawn by election are to be repaid, and the shares and bonuses are to be repaid, if necessary, on the day indicated in the advertisement. And from the mentioned day shall cease calculating interest on the repayable debentures.

Article (75)

The estate debentures which are repaid following election are stamped immediately with the cancelling stamp, and then destroyed in the presence of one member of the board of directors or his delegate of authorized agents and one comptroller, and a minute is to be drafted.

The debentures returning to the company after its speedy repayment or recovery by way of purchase are not allowed to be put again in circulation, except with a new permit from the board of directors, and within the limits of the amount of the standing obligations of borrowers. In all cases, this will take part in the drawing operation till election falls on it.

Chapter Six

Stock-taking and the Annual Accounts

Article (76)

The financial year of the company will commence from November 1 and end on October 31 of every year.

At the end of each financial year, the board of directors shall prepare a stock-taking list of the company's assets and liabilities. The board of directors shall approve the accounts, and they are to be presented to the general meeting of shareholders for approval or refusal. Then the shares of profits are to be determined, after hearing the report of the board of directors and the remarks of comptrollers.

The general meeting, in case it does not approve of the accounts, in the same meeting may appoint representatives to examine them, though to submit their report in the following meeting.

Chapter Seven

The Distribution of Profits

Article (77)

There shall be deducted annually from the realized profits the following:

1. The necessary sum to give 6 percent as interest on the shares.

2. 10 percent of the surplus to form the reserve c: ital.

3. 5 percent for the board of directors.

4. 15 percent to be appropriated to the founders shares.

5. The remaining 70 percent to be appropriated to shareholders as a share of the profits.

It is permissible, apart from the above, to create optional reserve capital, and the decision to create it is to be issued from the general meeting on the recommendation of the board of directors, and the payment of these shares will be annual at the times fixed by the board of directors.

It is permissible for the board of directors during each financial year to decide to distribute a payment from the share of profits for the current year to the shareholders, provided that this payment shall not exceed 6 percent of paid-up capital.

Article (78)

Each share of the profits not asked for in the five years following its accrual will lapse by time.

Chapter Eight

Reserves

Article (79)

Reserves shall be made up of sums deducted annually from profits in accordance with the provisions of the second paragraph of article 77.

This deduction may be stopped when reserve money reaches an amount equal to half the paid-up capital of the company, and it would be necessary to go back to deduction if the mentioned reserve money is touched in this way.

The reserve money shall be appropriated in all cases to meet contingencies, and more if the profits of one year are not enough to distribute a share amounting to 6 percent for the one share, it is permissible to supplement the difference from the reserve money.

The board of directors shall decide the way of employing the capitals set aside for reserve.

Chapter Nine

Founders Shares

Article (80)

2000 founders shares will be created, to which will be appropriated throughout the period of the company 15 percent of the annual profits,

in accordance with the provisions of article 77, without giving its owners the right to interfere in the affairs of the company.

In no case do the founders shares have any share in the assets of the company or in its reserves.

It is not permissible at all to create after than new founders shares.

Chapter Ten

The Alteration of the Bylaws of the Company

Article (81)

The general meeting may, on a suggestion from the board of directors, authorize the following:

1. The increase of the capital of the company or its reduction.
2. To prolong the term of the company or to shorten it.
3. Its dissolution before the fixed period, even in cases other than those prescribed in the following article 82.
4. Its amalgamation into other companies, and adding the total of its net funds, movable or fixed, to other companies.

In these numerous cases, the invitation to the meeting must include a brief account of the purpose of the meeting, and discussions will not be proper in the first meeting unless there is present in it more than half the votes.

Nevertheless, in case of discussions concerning the dissolution of the company, there should be represented in the general meeting two-thirds of the shares.

Chapter Eleven

The Dissolution and Liquidation of the Company

Article (82)

In case of loss of half the subscribed capital, the board of directors will invite the general meeting for a meeting, and it may decide to dissolve the company before the termination of its period.

In this case, invitation will be made for a meeting, and discussions will be made according to the rules prescribed in article 81.

Article (83)

On the termination of the term of the company, or in case of dissolution before the fixed period, the general meeting may decide,on the request of the board of directors, the way of dissolution, and the appointment of the liquidators and determining their authority.

Article (84)

It is not permissible to address disputes relevant to the public interest and the collective interests of the company against the board of directors or against one of its members except in the name of the total number of shareholders, and on a decision of the general meeting.

Any of the shareholders who wants to raise a dispute of this kind has to present it before the board of directors before holding the following general meeting by at least one month, and the board has to include this proposal in the agenda of the general meeting.

If the general meeting has decided to refuse this proposal, it is not permissible for any shareholder to represent it in his name personally. In case it decides accepting it, the general meeting will appoint one or more representatives, and request them to follow up the dispute, and send all papers to those representatives and none else; otherwise it will be invalid.

These bylaws of the company are to be deposited and published according to law.

Additional Verdict

A Sole Article

The rules cited in these bylaws do not infringe on the verdict of Law No. 163 for the year 1957, concerning banks and credit and what to be issued of regulations or decisions in its execution.