EGYPT
MARGHANY ADVOCATES

FIRM INFORMATION

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TYPE OF GOVERNMENT

Egypt adopts a democratic republican form of government.

POLITICAL SYSTEM

The Arab Republic of Egypt has a semi-presidential political system in which the political systems' powers are distributed between the executive authority represented by the President and the legislative authority (Parliament).

LEGAL SYSTEM

Egypt's legal system is primarily based on the civil law tradition derived from the French legal principles , while also incorporating elements of Islamic law.

TESTS FOR INSOLVENCY

What are the tests for insolvency (i.e. Liquidation?)

Under Egyptian Companies Law No.159 of 1981, if a company's losses exceed 50% of its paid-in capital, the board of directors must convene an extraordinary general assembly to decide whether the company should continue its activities or be dissolved.

If the shareholders resolve to liquidate the company, the general assembly appoints a liquidator who conducts the liquidation process under its supervision.

The Restructuring, Preventive Composition and Bankruptcy Law No. 11 for the year 2018 (the "Bankruptcy Law") which entered into force on 22 March 2018, adopts a cash flow test to determine bankruptcy namely the debtor's failure to honour its commercial obligations when they fall due.

An application for bankruptcy may be filed by the debtor, any creditor, or the public prosecution However, a fully secured creditor may not petition for bankruptcy unless the value of the collateral is insufficient to cover the outstanding debt.

What are the tests for financial distress (i.e. business rescue or administration?)

The Bankruptcy Law introduced a new restructuring system for companies experiencing financial distress. The purpose of this system is to develop a plan to reorganise the company's financial and administrative structure in order to enable the company to settle its debts and continue its operations. Accordingly, instead of declaring bankruptcy or proceeding with liquidation, traders and viable companies may apply for restructuring.

Egyptian law does not provide a specific statutory definition of financial distress. However, the concept is addressed within the framework of restructuring under the Bankruptcy Law.

Restructuring is defined as a set of procedures aimed at assisting the trader in overcoming financial and administrative distress.

Under the Bankruptcy Law, any trader with a minimum capital of EGP 1 million, who has not committed any fraudulent acts and whose business has been operating for at least two years prior to submitting the restructuring application, may apply for a restructuring plan.

INSOLVENCY AND RESTRUCTURING PROCEDURES

Formal insolvency procedures

Egyptian law provides three main formal insolvency procedures are available to businesses that have ceased paying their commercial due to financial distress

- Restructuring - a procedure aimed at preparing a plan to reorganise the company's financial and administrative structure in order to enable it to repay its debt and continue its business.
- Preventive Composition (applicable in cases of threatened bankruptcy), a procedure aimed at reaching an agreement between the debtor and its creditors for the settlement or restructuring of the debtor's financial obligations, following a request submitted by the debtor to the competent court
- Supervised Mediation, a mechanism intended to limit recourse to the Courts and facilitate amicable settlement of disputes between the debtor and its creditors, while preserving the debtor's commercial reputation.
- For this purpose, a specialised department known as the **Bankruptcy Administration** was established within each Economic Court.

The Bankruptcy Administration is responsible for conducting the mediation process and has broad discretion in managing it. It may request the assistance of experts, hold joint meetings with all parties or meet them separately. Representatives of the parties may attend the mediation sessions. If the parties reach an agreement that is drafted setting out the procedures and the agreed terms of the settlement.

Once ratified by the competent judge, the settlement agreement becomes binding and enforceable as a judicial decision.

Formal restructuring procedures

The restructuring procedure is available for traders whose capital is not less than EGP 1 million. Companies undergoing liquidation or preventive composition are not eligible to apply for restructuring. The restructuring process will be conducted by a restructuring committee composed of experts listed in the Bankruptcy Expert Schedule at the Economic Courts The restructuring committee may re-evaluate the company's assets, restructure its debts (including debts owed to governmental entities), increase its capital, enhance internal cash flow, reduce expenditure, and implement administrative restructuring measures.

The restructuring committee must submit a report to the competent judge within 3 months setting out the reasons for the company's financial and administrative distress, the feasibility of restructure and the proposed restructuring plan. In all cases, the implementation of the restructuring plan may not exceed five years.

In order to be binding, the restructuring plan needs to be signed by the concerned parties and ratified by the competent judge. The judge has the authority to appoint an assistant to the restructuring expert to help the company in implementing the plan and negotiating with the creditors as well as to provide technical and consultancy support.

Following ratification of the restructure plan, creditors are subject to a standstill period during which they may not initiate legal proceedings or enforce their claims against the debtor until the completion of the restructuring process.

Informal insolvency or restructuring procedures

Not applicable.

LIQUIDATION

What is the aim of liquidation?

The Egyptian Companies Law No. 159 of 1981 provides that a company enters into liquidation upon its dissolution, the expiry of its term, or its termination for any reason, except where the company ceases to exist as a result of a merger or division.

Process required to commence a liquidation

Under Egyptian Companies Law No. 159 of 1981, liquidation is generally initiated by a resolution of the extraordinary general assembly of the company. The board of directors convenes the extraordinary general assembly meeting, which decides on the dissolution of the company and the commencement of the liquidation process.

At this meeting, the shareholders appoint a liquidator and determine the liquidator's powers, remuneration, the reasons for the liquidation and the timeframe for completing the liquidation process. The resolution must then be registered with the competent authorities.

Alternatively, a company can be placed into liquidation by a Court order where a company is dissolved or declared invalid by a judicial decision. In such cases, the Court determines the method of liquidation, appoints the liquidator and fixes his remuneration.

At what point does the liquidation process commence?

Under Egyptian Companies Law No. 159 of 1981, the liquidation process commences upon the dissolution of the company by a resolution of the extraordinary general assembly. The shareholders resolve to dissolve the company and appoint a liquidator to carry out the liquidation process.
Alternatively, a company may be placed into liquidation by a Court where the company is dissolved or declared invalid by a judicial decision.

Duration of the liquidation process

The liquidator must complete the liquidation within the period in the resolution appointing the liquidator. . If no period is specified, any shareholder or partner may request the Court to determine the duration of the liquidation . The liquidation period may be extended by a resolution of the general assembly or the partners after considering the liquidator's report and the reasons for the delay in completing the liquidation. Where the liquidation period has been fixed by the Court, it may not be extended except by a further Court order.

Extent of court involvement in the liquidation process

If the liquidation period is not specified, any shareholder or partner may apply to Court to determine the duration period. Where the period of liquidation is fixed by the Court, it may not be extended except by a further Court order. The Court also has jurisdiction over claims filed by shareholders or partners against each other before the lapse of 5 years from the date of completion of the liquidation as well as claims filed by third parties against shareholders or partners within the same period.

Management of the company whilst in liquidation

The company's corporate organs remain in place during the liquidation process. However, their powers are limited to matters that do not fall within the power and responsibility of the liquidator. Immediately following the appointment of liquidator, the liquidator, together with the board of directors, must prepare an inventory of all the company's assets and liabilities. The liquidator must maintain a record of the liquidation process, and such records must comply with the provisions of the law governing commercial registers.

The liquidator shall exercise all powers necessary to preserve the company's assets and rights. The liquidator must also take all necessary actions to collect the company's receivables and enforce its rights against third parties. Any amounts collected by the liquidator must be deposited into a bank account opened in the name of the company in liquidation. The liquidator may not sell the company's assets without the approval of the general assembly or partners as the case may be.

The liquidator must perform all the duties necessary to complete for the liquidation process including in particular:

- Paying all the company's debts.

- Selling the company's assets whether movable or immovable, by public auction or in any other method unless the instrument appointing the liquidator specifies a particular.

- Representing the company before the Courts.

- Submitting a provisional account to the general assembly or the partners detailing the progress of the liquidation process. The liquidator must also respond to requests for information from shareholders or partners, provided that such disclosure does not prejudice the interests of the company or the conduct of the liquidation.

- Submitting a final account of the liquidation to the general assembly or the partners.

The liquidation process is concluded upon the approval of the final account. The liquidator must publish the termination of the liquidation in the Commercial Register and request the deletion of the company from the Commercial Register.

Filing of claims – form, timing, adjudication and process

Within 15 days of the publication of the invitation to the creditors, all the creditors, including secured creditors, must submit a statement of their claims together with the supporting documentation evidencing the debt.

Within 40 days from the commencement of proceedings, the trustee must compile and file a list of creditors' claim with the Court and publish this list in a widely circulated daily newspaper. creditors from the date of publication of the list to challenge any claims recorded therein. The court then adjudicates the disputed claims. The Court's decision in this regard may be subject to appeal in accordance with the applicable procedures.

Effect of liquidation on employees

Upon completion of the liquidation process, the entity loses its legal personality and can no longer act as an employer. During the liquidation process, employees are considered preferential creditors for any amount and anything due to them.

Effect of Liquidation on contracts

During the liquidation process, the company retains its legal personality to the extent necessary for the purposes of liquidation. However, the company may not enter into a new. However, the company may not enter into new contracts except where such contracts are necessary for completing the liquidation process. The liquidator is responsible for taking all necessary actions to collect the company's receivables, enforce its rights, and settle the company's outstanding obligations.

Effect of liquidation on shareholders

The powers of directors are limited with the appointment of the liquidator. The power of the shareholders or partners remains in place throughout the liquidation process until the liquidation is completed and the company is formally dissolved.

Effect of liquidation on creditors

Immediately upon the appointment of the liquidator the liquidator, in coordination with the board of directors, must prepare an inventory of the company's assets and liabilities and proceed with settling the company's debts owed to creditors. Creditors are required to submit claims to the liquidator within the prescribed period. They may also challenge the admission or rejection of claims before the competent court.

Pending claims, litigation and arbitration

Upon the commencement of liquidation, creditors are required to submit their claims to the liquidator.
Pending claims, litigation or arbitration proceedings involving the company may continue during the liquidation process, and the liquidator represents the company in such proceedings in order to protect the company's rights and settle its obligations.

Voidable Transactions

During liquidation, the company retains its legal personality to the extent necessary for the purposes of completing the liquidation process. The company's corporate organs remain in place their powers are limited to matters that do not fall within the authority of the liquidators.

However, the liquidator may not commence new business activities except where necessary to complete existing transactions. Accordingly, transactions entered into prior to liquidation are not automatically set aside solely as a result of the liquidation.

Under the Bankruptcy Law, certain transactions carried out after the date of cessation of payments may be declared void if they prejudice the interests of creditors. These may include:

- granting donations;
- payment of debts before its maturity dates;
- payment of debts in a manner different from that originally agreed ;
- any mortgage or security interests over the debtor's assets to secure existing debt;
- any other transactions that are detrimental to the interests of creditors.

How is the liquidation process terminated?

The liquidator must submit a final account of the liquidation to the general assembly or the partners. This liquidation process is concluded upon the approval n of the final account. The liquidator must then publish the termination of the liquidation and register it with the Commercial Register. Following the completion of the liquidation. The liquidator must request the deletion of the company from the Commercial Register.

Director or officer liability

Members of the board of directors and company officers may incur civil or criminal liability if they engage in fraudulent or negligent conduct, including in particular the following acts: Concealing, altering , or destroying the company books and records;

- Embezzling or concealing the company's assets with the intention of harming creditors;

- Falsely acknowledging debts of the company or making fraudulent statements regarding the company's financial position, whether orally, in writing, or through financial statements;

- Engaging in fraudulent conduct that leads to the company's bankruptcy or contribute to the cessation of payment of its debts;

- Committing acts of gross negligence as provided the Egyptian Trade law;

- Failing, in bad faith, to comply with the legal requirements relating to the publication or registration of the company's incorporation documents; and

- Participating in acts that breach the company's Articles of Association.

Consequences of director or officer liability (criminal and civil consequences)

The Court may hold members of the board of directors or company officers liable where their gross negligence or misconduct results in serious disruption to the company's business or contributes to the cessation of payment of its debts.

In such cases , the Court may also order the directors, or officers concerned to pay part or all of the company's debts, if the company's debts are insufficient to satisfy at least 20% of the creditors' claims. . unless this director proves that he exercised reasonable care.

Where a director or officer commits acts constituting fraudulent bankruptcy, criminal penalties may apply, including imprisonment for a period ranging from 3 to 5 years in addition to a fine ranging from EGP 50,000 to EGP 500,000.

BUSINESS RESCUE/ADMINISTRATION

Process required to commence a business rescue or administration

Under Egyptian law, restructuring and preventive composition are the primary procedures available to assist traders facing financial and administrative distress and to prevent bankruptcy.

In restructuring proceedings, a restructuring committee prepares a restructuring plan aimed at reorganising the trader's financial and administrative affairs. The proposed plan is submitted to the competent court for approval after consultation with the concerned creditors.
Preventive composition proceeding may be initiated by a trader facing financial difficulties who seeks to avoid bankruptcy. The trader must submit an application to the competent court within 15 days from the date of cessation of payments.

At what point does the business rescue or administration process commence?

In restructuring proceedings, the restructuring committee must submit its report to the competent court within 3 months from the date of submission of the restructuring Court. In preventive composition proceedings, the process formally commences once the competent court issues a judgment opening the preventive composition proceedings.
The Court judgment provides for the following

- the appointment of a judge to supervise the composition proceedings; and

- the appointment of one or more trustees to undertake to administer and oversee the preventive composition process.

Duration of business rescue/administration process

The restructuring committee must submit a report to the bankruptcy judge within 3 months from the date of submission of the restructuring application. The report should include the committee's assessment of the causes of the trader's financial and administrative distress, the feasibility of restructuring, and the proposed restructuring plan.

The court may grant an extension of up to an additional 3 months upon request . In all cases, the implementation of the restructuring plan should not exceed 5 years.

Extent of court involvement in the business rescue/ administration process

The Bankruptcy Department within each Economic Court is responsible for receiving applications for restructuring, preventive composition, bankruptcy declarations and mediation proceedings. The bankruptcy judge plays a central role throughout the restructuring and preventive composition procedures.

For instance, the judge reviews and ratifies the restructuring plan submitted by the restructuring committee once it has been approved by the concerned parties. Any interested party may submit petitions to the bankruptcy judge in relation to matters arising from the restructuring plan. The judge may terminate the restructuring plan upon the completion of its implementation, if such execution becomes impossible or if it is breached upon the request of any concerned party.

With respect to preventive recomposition the application is submitted to the head of the Bankruptcy Department within the Competent Court. The applicant must set out the reasons for the trader's financial distress, the composition proposals, and the guarantees for its implementation. The Court examining the application may order any necessary measures to preserve the debtor's assets pending its decision on the application. The Court may take such proceedings any steps necessary to assess the debtor's financial position and the causes of its financial distress.

If the judge admits the preventive composition application, the court will issue a judgment opening the composition proceedings. Following the verification of claims, the composition judge will determine a date for a meeting of creditors to consider the composition proposals. Minutes of the meeting are signed by the composition judge, the composition trustee, the debtor and the attending creditors.

Management of the company whilst in business rescue/ administration – the role, responsibility and powers of the board or directors and the business rescue practitioner

The debtor remains in control of the management of the company during restructuring proceedings, However, such management is subject to the supervision of the restructuring committee and the bankruptcy judge.

The Court may decide to restrict or remove certain powers of the board of directors if it determines that the directors have engaged in gross misconduct that contributed to the company's financial distress.

Filing of claims

Within 40 days from the commencement of preventive composition proceedings, the trustee must submit to the court a list of creditors' claims and publish it in a widely circulated daily newspaper. creditors shall have 10 days to dispute any claims recorded on the list and the Court shall decide on any disputed claims. Following the court's review of the list of claims, the Court shall call for a meeting of creditors by publication in a daily newspaper.

At least Five days prior to the meeting, the trustee must submit a report outlining the debtor's current financial status and the trustee's opinion on the proposed composition plan If the composition plan is approved by the creditors' meeting, the Court will allow creditors a period of 10 days to submit before deciding whether to ratify the plan. Once ratified by the court the plan becomes binding on all creditors, including those that did not participate in the proceedings or voted against the plan.

In restructuring proceedings, the application is submitted to the restructuring committee designated by the Competent Court. The restructuring committee submits a report to the Court within 3 months of the date of submission of the application including assessment of the feasibility of restructuring and the proposed restructuring plan.

The Court may approve the restructuring plan submitted by the committee once it has been accepted by creditors. The restructuring plan is binding on the creditors who have agreed to it.

Factors which influence the period of business rescue

- in certain circumstances, the bankruptcy judge may dismiss the restructuring request which will, consequently, affect the term of the procedure;
- failure of the parties to reach agreement on restructuring plan;
- failure of the trader to submit the required documents and information accompanying the restructuring application within the prescribed period. failure of the trader to pay the costs and expenses necessary for the restructuring procedures, including the assistant's fees of the appointed assistant, or where the trader's assets are insufficient to cover such costs;
- where the reasons that led the trader to submit a restructuring application no longer exist;
- where the restructuring procedures are deemed unsuitable to the trader's business, based on the documents

submitted with the application or the report prepared by the restructuring committee; and

- in the case of a deceased trader, where the heirs collectively do not agree on the restructuring.

Funding of the company whilst in business rescue/ administration

The objective of restructuring is to develop a plan aimed at reorganising the company's financial and administrative affairs in order to overcome financial distress and enable the company to meet its obligations to creditors The restructuring plan may include proposed sources of funding and operational measures designed to restore the company's financial stability.

Such measures may include re-evaluating the company's assets, restructuring the debts, including state debts, capital increase, increasing the internal cash flow, decreasing expenditure and implementing an administrative restructure.

In preventive composition proceedings, once the court issues a judgment opening the composition proceedings, the debtor may not enter into settlement a grant of security interests or transfer ownership of assets outside the ordinary course of business without obtaining prior approval from the composition judge.

Effect on employees

Employees are generally not directly affected by restructuring or preventive composition proceedings. However, in situations of financial distress, the employer may restructure its workforce including reducing the number of employees, in accordance with applicable labour laws and while preserving employees' statutory rights and entitlements.

Effect on contracts (supply agreements, leases, instalment sale agreements, facility agreements)

During the implementation of the restructuring plan, the company remains responsible for performing its obligations under existing contracts entered into before or after the ratification of the restructuring plan, provided that such contracts do not conflict with the terms of the approved plan.

Effect on shareholders

During preventive composition proceedings, the debtor may not take actions that prejudice the interests of creditors, such as disposing of assets outside the ordinary course of business, making donations, granting loans, providing guarantees or sureties, or creating pledges or other security interests over its assets in a manner that conflicts with the terms of the restructuring or composition plan.

Moreover, upon the issuance of the judgment opening the composition proceedings, all court actions and enforcement measures initiated against the debtor are stayed.

However, legal action initiated by the debtor and the enforcement proceedings commenced by the debtor remain valid, provided the composition trustee is joined in such proceedings.

Effect on creditors

In restructuring proceedings, once the ratification plan has been ratified, no court action may be initiated between the trader and the creditors who are party to the restructuring plan in relation to the plan or its implementation . In addition, the limitation period relating to claims, lawsuits and debts are suspended until the completion the restructuring plan

In preventive composition proceedings, once the court issues the judgment opening the composition proceedings, the debtor may not enter into settlements, grant pledge other security interests, or transfer ownership of assets outside the ordinary course of business, without the prior approval of the composition judge.

Without prejudice to the rights of the bona fide third parties, any acts carried out in violation of these restrictions shall not be enforceable against the creditors.

Effect on pending claims, litigation, arbitration and the moratorium

In a restructuring proceeding, once the restructuring plan has been ratified, no Court action may be initiated between the trader and the creditors who are party to the restructuring plan in relation to the plan or its implementation.

Limitation periods relating to lawsuits, claims and debts are suspended until the completion of the restructuring plan.

In preventive composition proceedings, all Court actions and enforcement measures initiated against the debtor are stayed upon issuing the judgment for opening the composition proceedings.

However, legal actions initiated by the debtor and the enforcement proceedings commenced by the debtor remain valid.

Voidable Transactions

Voidable transactions are transactions that prejudicial the interests of creditors. These may include, for example, the disposal of assets outside the ordinary course of business, the granting of donations or other gratuitous transfers, the granting of loans, or the provision of guarantees, sureties, pledges or other security interests over the company's assets.

The plan

A restructuring plan is prepared which sets t out the measures and procedures through which the company's financial and administrative position will be reorganised in order to enable the company to overcome financial distress and continue its business operations.

Voting on the plan

A company may apply for preventive recomposition only after obtaining approval from the majority of partners, or the general assembly of shareholders, as the case may be.

On the other hand, the bankruptcy judge ratifies the restructuring plan submitted by the restructuring committee upon the approval of the signatory parties.

Upon ratification by the court, the restructuring plan becomes binding on the parties that have agreed to it.

Cram down on creditors

The Court may determine the order and priority of the repayment of debt, in accordance with the restructuring plan and the applicable legal provisions.

Implementation of the plan

The preventive composition agreement must be signed during the hearing in which voting on the composition takes place, otherwise, it shall be considered null and void.

If the required majorities are not achieved, the deliberation shall be postponed for a period of 10 days, without further extension.

Creditors who attended the first meeting or who were represented therein and signed the minutes of the composition, may choose not to attend the second meeting.

In such a case, their approval given at the first meeting shall remain valid unless they attend the second meeting unless they attend the second meeting and withdraw their approvals or if the debtor introduces a material change to the composition proposal.

Discharge of debt

Once the restructuring plan has been fully implemented, the debts shall be discharged from the debts addressed under the plan in accordance with its terms.

Effect on suretyships

During the implementation of the restructuring plan, limitation periods relating to claims and lawsuits associated with the debtor's debts are suspended; however, guarantees and suretyships remain valid.

In the preventive composition plan all suretyships, mortgages and privilege rights must be declared to the judge and may not be enforced against the debtor.

How is the process terminated?

The restructuring process is terminated upon completion of the restructuring plan or by a decision of the Court where the implementation of the plan becomes impossible or is materially breached.In preventive composition proceedings, the composition agreement becomes binding upon ratification by the court.

What is the status of the company after the rescue process?

Upon successful implementation of the restructuring plan, the company continues its business operations in accordance with the reorganised financial and administrative structure set out in the plan. In preventive composition proceedings, the debtor resumes normal business activities following the implementation of the composition agreement.

Director and officer liability (civil consequences and criminal consequences)

Board members and/or managers may be held jointly and severally liable for all or part of the company's debts and where the company's assets are insufficient to satisfy at least 20% of these debts of such debts and where their gross negligence or misconduct contributed to the company's financial distress.

SECURITY

Types of security

Common forms of security in Egypt include pledges over shares, bank accounts, immovable property (land and buildings), contractual rights, insurance proceeds, licences and authorisations, intellectual property rights, movable property and other tangible assets, as well as aircraft and vessels.

Taking of security

Security interests may be created either by agreement between the parties or by operation of law pursuant of court judgment.

Security trustees / special purpose vehicles (e.g. in multiple lender scenarios etc.)

Egyptian law does not expressly recognize the concept of a security trustee. However, the appointment of a security agent is common in financial transactions especially in syndicated loan agreements. The role, duties and rights of the security agent are governed by contractual arrangements between the parties.

Most robust form of security available to local and/ or international lenders in connection with a local borrower's loan/debt obligations

The most effective form of security depends on the nature of the transaction and the assets available. In practice, lenders often rely on a combination of security interests, such as mortgages over real estate, pledges over shares and bank accounts, and assignments of receivables.

Registration of security

Security interests over real estate must be documented in writing and registered with the competent Real Estate Registration Office in order to be valid and enforceable against third parties.

For a real estate mortgage to be registered, the ownership of property must be registered with the Real Estate Registry.

Stamp Duty

Stamp duty is generally payable on loan agreements at a rate of approximately 0.4% of the loan amount annually.

Registration Costs

Registration fees vary depending on the type of security and the relevant registration authority.

Requirements for the assignment / transfer of the registered security

Under the Civil Code a debt may be assigned to a third party for consideration. Notice of the assignment must be given to the debtor. However, the debtor's consent is not required unless otherwise agreed or where the assignment involves additional contractual rights.

Security and guarantees associated with the transferred debt cannot be assigned except if the:

- the underlying contracts creating them such security or guarantees permit the assignment; and
- the required procedures with the relevant Governmental authorities have been completed in order to transfer the benefit of such security. This does not apply where the security consists of a purely contractual guarantee whose terms expressly allow the transfer of rights from the assignor to the assignee.

Instances in which securities might be vulnerable to attack by third parties, including the government

Security interests may be vulnerable to challenge where the legal formalities required for their creation or registration have not been properly complied with.

Methods of enforcement of security

A secured creditor may apply to the competent court to enforce the security interest in accordance with the terms of the security agreement and the applicable enforcement procedures.

Upon obtaining a judgment, enforcement is carried out through the competent enforcement authorities.

Problems experienced when enforcing security

In practice, enforcement proceedings may take time, particularly where the debtor fails to comply voluntarily with the court's judgment, requiring enforcement through the competent enforcement authorities.

Financial assistance requirements

Not applicable

RECOGNITION OF FOREIGN JUDGMENTS

Instances in which your court will recognize a foreign judgment

In terms of Egyptian procedural law, judgments and orders issued by foreign countries may be enforced in Egypt on the basis of reciprocity and subject to the same conditions applicable to the enforcement of Egyptian judgments in the foreign jurisdiction.

An application for exequatur must be submitted to the Competent Court of first instance in accordance with the procedures applicable for filing a claim before the Court.

Requirements for recognition of a foreign judgment

An application for exequatur will only be admitted before the Egyptian courts after verifying the following conditions:

- Egyptian Courts do not have jurisdiction over the dispute which is the subject of the foreign judgment;
- The parties were properly summoned and duly notified of the proceedings;
- The foreign judgement is res judicata under the law of the issuing court; and
- The foreign judgement does not conflict with Egyptian public order, public policy or morality.

Requirements for the recognition of a foreign trustee, business rescue practitioner or an insolvency practitioner

This is not applicable.