

ARTICLE 5: SETTING UP A SMALL BUSINESS IN EGYPT

Owning and operating your own business is an exciting and fulfilling endeavour for many individuals around the world, and in Egypt, small businesses make up 98% of the private sector.

As an owner of a small business, you can enjoy a lot more control and independence over your career as each decision that you take - including those such as who gets to work with you, how your wealth is created, and the types of work and its locations - are truly your own.

On the other hand, starting your business is also one of the most challenging things you can undertake. You will inevitably work harder and longer hours, you will bear all responsibility for decisions taken (a lot of the time with no concrete guidance), and you may not get paid for a while as you establish and consolidate your business.

However, if you are the type of person who derives great satisfaction from others buying or using the products or services you have designed, and you are able to solve problems and think outside the box, starting your own business may be the correct path for you!

Check out the paragraphs below, to collect more information about the steps to establishing your business in Egypt.

Prerequisites to Establishing a Small Business in Egypt:

1. A minimum of 50,000EGP start-up capital is required to begin establishing a small business legally.
2. Egyptian law requires at least two partners when establishing a 'Limited Liability Company', otherwise an individual may establish a 'Sole Person Company'.

Required Documentation:

Various documentation is required in order to establish a company, with copies requested both in paper and electronically. Documents include:

1. Copies of the relevant powers of attorney
2. A certificate of 'non-confusion' in order to avoid 'same as' company names
3. National IDs/passports of founders/partners as well as attorneys
4. A certificate from the Register of Accountants and Auditors stating that the company auditor is entitled to review and approved budgets.
5. A duly completed investor identification form
6. Details of the company's legal advisor
7. A copy of the lawyer's bar association ID

In case that special legal approvals are required, official approvals from the appropriate bodies must also be submitted. If the company is intended to operate under the Free Zones System, the following documentation must also be submitted:

- For a Public Free Zone: The General Authority for Investments' (GAFI) approval through the board of directors of the public free zone, in which the company is to be established.

- For Private Free Zone: the approval of the Council of Ministers.

Fees:

According to GAFI the total fees necessary for the incorporation of a new company are listed below. They include:

1. Bar Association endorsement fee: 50EGP + 0.01% of the company's issued capital, maximum limit 25,000EGP.
2. Articles of incorporation notarization fee: 0.025% of the issued capital, maximum 1,000EGP
3. Registration of the company into the Commercial Register, fee: 63.25EGP
4. License to Operate fee, annual subscription of 0.002% of the company's paid-up capital, 200EGP + maximum 2,000EGP
5. Registration with the Syndicate of Commercial Professions, if the company's capital is less than 500,000EGP, the registration fee will come to 125EGP. If the company's capital exceeds 500,000EGP, fees will come to 250EGP.
6. Incorporation fee calculated at 0.001% of the company's issued capital, maximum 1,000EGP and minimum 100EGP.
7. A True Certified Copy of the Articles and Certificate of Incorporation, 600EGP per copy.
8. A Certificate of non-confusion of the company's name, 114EGP.

Application:

When it comes to the application process there are two major avenues for application:

E-portal:

1. Sign up and create an account at <http://www.gafi.gov.eg> .
2. Choose the incorporation service, upload the required documents, and submit the application for processing.
3. Pay the fees using a credit card, and e-sign the documents.
4. All your company's documents will be sent to your GAFI's e-portal account.

Incorporation via the Investors Service Centre (ISC)

1. Company partners or authorised representatives are to visit one of the ISC centres and submit all the documentation outlined under 'required documentation'. A dedicated ISC attorney will then process the documentation and input the information into GAFI's e-System. Following this, the attorney will issue the company's articles of incorporation and all the application forms required for the registration at the Commercial Registers, as well as for the issuance of tax cards and insurance numbers.
2. Following signing electronically, partners or their authorised representative will pay the fees in either cash or credit card.
3. Partners or an authorised representative will be directed to sign in order for the articles of incorporation to be notarised by the Real Estate Registration and Notarisation Office.
4. Following one business day, the company will receive its commercial registry, tax registration number, VAT registration number and insurance number, ready to commence business.

For more detailed information on this topic, please visit the following link:
<https://www.gafi.gov.eg/english/eServices/Pages/DepartmentService.aspx?DSID=7>

Examples of Law Firms Specialising in Establishing New Businesses

[Youssry Saleh & Partners](#)

[Al-Bedeawi & Partners Law Office LLP](#)

[Sadany & Khalifa Law Firm](#)

[Shura Law Firm](#)