

Law introducing amendments to the Specialized Ports Law No. 1 of 1996

Source: Law 10 of the year 2017, Issue No. 13 of the Official Gazette dated 31 March 2017

This Law mainly addresses three different matters, the addition of the Dry Port to the scope of application of the Law No. 1 of 1996, the procedures of establishing a Specialized or a Dry Port and the concession of these Ports.

Firstly, according to Article 1 of the amendments, the name of the Law shall change from the Specialized Ports Law to Specialized and Dry Ports Law.

Secondly, Article 2 of the amendments sets out the procedures of establishing a Dry or a Specialized Port as follows:

A request shall be presented to the Ministry of Transport (MoT) including the plan of the Port establishment. The MoT shall prepare the technical study through the competent authorities in order to assess the feasibility of establishing such Port.

Thereafter, the Prime Minister (PM), based on a proposal of the Minister of Transport and after the Cabinet approval, shall issue a decree establishing the Port. This PM's Decree shall be notified to the MoT, which shall have the technical supervision over the project during its execution period.

Thirdly, according to the amendments, a concession of public utilities may be granted to Egyptian or foreign investors, natural or juristic, inside or outside Egypt. The concession may include establishing, managing, utilizing, maintaining and collecting service charge of a Dry / Specialized port. This concession shall be granted without being restricted by the provisions of Law No. 129/1947 concerning concessions of Public Utilities nor Law No. 61/1958 concerning incentives granted for investments relating to Natural Resources and Public Utilities.

Taking into consideration that the concessionaire selection shall be subject to the principles of publicity and transparency. The duration of the concession shall not exceed 15 years. However, the concession period may be extended for up to 30 years by virtue of a law.

EFSA Decree licensing companies to combine more than one financing activity

Source: EFSA Board of Directors Decree No. 60 of 2017, Issue No. 119 of the Official Gazette dated 24 May 2017

This decree regulates granting license for companies to practise more than one financing activity in light of the conditions and the standards provided in the said decree. The financing activity may include Financial Leasing, Mortgage Finance and Factoring Companies.

The conditions and standards are mainly addressing the following:

- The object of the Company, its capital and its ownership scheme.
- The Board of Directors.
- The required documents and information.
- Accounting standards.
- Credit & Risk standards.

It shall be noted that the Company which will combine more than one financing activity shall :

- maintain separate accounts for each activity;
- separate the data of the activities in the Company's financial statements as required by the Financial Accounting Standards.

The EFSA shall decide on the license within a period not exceeding thirty days from the date the company meets all the necessary requirements and conditions for obtaining the license.

The EFSA shall issue its decision in the light of the following considerations:

- The Company's financial position and the efficiency of its management.
- The extent of the company's contribution to meet the market's needs through offering new financing products or expanding in new geographical areas.
- The background of the key shareholders' business in the domains of credit, banking and non-banking finance.

