





Ahmed El Sherbiny & Co.

Accountants & Auditors



How to open a company in Egypt

With a strategic geographic location in North Africa, important exits to the Red Sea and the Mediterranean Sea and known as one of the oldest civilizations, **Egypt** ranks on the 30th place among countries with a dense population and territory. **Egypt** is an important player on the market in varied industries like agriculture, tourism, exports and much more, having strong economic collaborations with many European, Asian, or other important countries. Besides that, the country is an active member of significant organizations like the Arab Monetary Fund, World Trade Organization or the International Monetary Fund, which makes it even more credible among investors wanting to place their assets in **Egypt**'s main business sectors. Starting a business in Egypt can be a suitable option for those interested in making money in the country's main industries.

we can provide you with support and guidance when preparing and drafting the documents for your **company**, considering the Commercial and the Civil Law in the country.

Types of business entities in Egypt

Under the Corporate Law no. 159 and the Commercial Law of 1883 in **Egypt**, a businessman can set up **limited liability companies** and **joint stock companies**, two of the main forms of incorporation preferred by investors worldwide. Besides that, one can choose from a few kinds of **partnerships** like a general partnership, limited by shares and **joint venture**. If you have decided for a **business form in Egypt**, we remind that our **specialists in company formation in Egypt** can offer you complete help in each step of company registration, in order to speed up the process. Here are the main **types of companies** one can choose to set up in **Egypt**:

- limited liability company;
- joint stock company;
- general partnership;
- limited partnership.

How to set up a limited liability company in Egypt

A **limited liability company (LLC) in Egypt** can be registered through the General Authority for Investment and Free Zones (GAFI), considering the provisions of the Corporate Law since 1981. This type of entity limits the stockholders to a particular number of shares. According to the laws, an **LLC in Egypt** can be named after its partners and can be registered if a minimum share capital of 1,000 Egyptian Pounds is provided in the company's bank account. Please consider that an **LLC in Egypt** is not permitted to assign variable bonds and shares.



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How to set up a joint stock company in Egypt

Joint stock companies in Egypt can also be registered through GAFI, in compliance with the regulations in this matter, where at least three stockholders need to be registered and where the capital is divided into equal value shares. **Foreign investors** who choose to **register a joint stock company in Egypt** must comply with the requirements, and here we mention that at least 49% of the shares must be placed to public subscription at the time of their establishment. Just like the **limited liability companies**, the **joint stock entities** can also be owned by **foreign investors**, considering that the board managers should have at least one **Egypt** national.

How to set up a partnership in Egypt

A **general partnership in Egypt** implies at least two investors and it is conducted by the commercial and civil laws in the country. Each kind of **partnership**, whether limited by shares or not, must be registered with the Ministry of Finance. We remind that such **partnership** comes with equal rights and powers for all partners.

Company formation in Egypt

Investors who have decided to **register a limited liability company in Egypt** should prepare the documents and submit them to the General Authority for Investment and Free Zones in the country. The succeeding forms and requirements can be issued with the support of our firm Ahmed Elsherbiny & Co. who can guide you throughout the entire **company registration process**.

- stamped articles of association;
- information about the shareholders of the company (name, nationality, and address);
- ID copies of the investors;
- the name of the company;
- the address of the business;
- details about the bank account for the minimum share capital;
- VAT certificate.

For varied reasons, investors can appoint a legal representative who can use the power of attorney when setting their **business in Egypt**. After the **registration process**, one should consider the special licenses and permits for the future activities of the **company**.

Complete assistance in the **company incorporation procedure in Egypt** and for the important steps to consider can be offered by our **team of company formation agents in Egypt**, so please feel free to **contact us**. Types of



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Companies in Egypt



Entrepreneurs can choose **Egypt** for investments and business matters. One can establish limited liability companies, partnerships, or joint venture. Companies might be interested in setting branches or representative offices too. In compliance with the Corporate Law in Egypt, a **business can be registered in Egypt** with few formalities or paperwork. Ahmed Elsherbiny &co. can help entrepreneurs **set up** their **companies** in the country.

Joint stock company in Egypt

Having shares divided into equal values, and without responsibilities for possible debts, a joint stock company (JSC) in Egypt is a preferred business entity by numerous investors who want to place their businesses on the market under a joint stock company. A JSC in Egypt can be set up with at least 3 shareholders who are mutually answerable for the obligations and responsibilities of the company. It is good to know that at least 49% of the shares in a joint stock company in Egypt must be placed to public subscription once they have been founded and registered. In matters of drafting the documents for your company in Egypt, our specialists in company formation can offer assistance and information in the related aspects.

Limited liability company in Egypt

If you have decided for a limited liability company in Egypt, it is good to know that each stockholder is in charge of his/her limit of shares in the company, but considering that bonds and shares are not negotiable. A limited liability company in Egypt can be 100% foreign owned, but the board of directors should have at least one national. The minimum share capital when registering an LLC in Egypt is set at 50,000 Egyptian Pounds.



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General partnership in Egypt

A **general partnership in Egypt** can be set up by at least two businesspersons and must be registered with the Ministry of Finance, in compliance with the commercial and civil laws in the country. In a **general partnership**, the owners have the same rights and must consider the responsibilities and the debts in an equal manner.

Limited partnership in Egypt

limited partnership in Egypt is subject to particular rules. For instance, some of the partners are responsible for the debts registered in the firm, while others are in charge of making investments. This partnership can be registered in the same manner as a general one. Furthermore, one should know that a partnership can convert into a joint stock company in Egypt if certain requirements are met.

Branch in Egypt

Setting up a branch in Egypt complies with the provisions of the Corporate Law 159. One should know that branches in Egypt are exempt from taxation for 10 years if they:

- *hire nationals;*
- *develop in new communities.*

For a better understanding of the terms, conditions, and rules set for establishing a company in Egypt, we invite you to contact our team of Ahmed Elsherbiny & co. representatives in Egypt



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Set up a Limited Liability Company in Egypt



A **limited liability company in Egypt** can be set up easily as soon as all the terms and conditions have been respected, and the documents prepared in accordance with the Commercial Companies Law.

Ahmed Elsherbiny & Co. are at your disposal for comprehensive information in registration matters with the authorities in charge. Even more, our advisors can assist you when applying for special permits and licenses for your future business

Conditions for opening an LLC in Egypt

An **LLC in Egypt** can be formed by at least two stockholders regardless of their nationality because such business entity can be entirely owned by foreigners. The minimum share capital is set at 50,000 Egyptian Pounds and can be drafted in a bank account as soon as the **company** has been set up. Furthermore, a director must be appointed for your **LLC in Egypt**, whether a resident or from outside the country, who is going to take care of the managerial responsibilities in the firm. Please consider the following requirements when **setting up an LLC in Egypt:**

- reserve the name for your LLC;
- provide to the local trade register the Articles of Association;
- file the Memorandum of Association;
- offer complete information about the shareholders (name, address, nationality);
- notarize the owner's signatures;
- name the board of managers;
- apply for tax purposes.

Once all the documents have been accepted, the **Commercial Registry in Egypt** will issue the registration number and the certificate of incorporation for your business in the country. It is suggested to ask for assistance and guidance from our **company incorporation specialists in Egypt** when drafting the documents because they can properly supervise the registration process and can help entrepreneurs set up the business in a fast manner.

The management of an LLC in Egypt

One or more managers can take care of the responsibilities of an **LLC in Egypt**, can be appointed for a limited or an unlimited period of time, and their names will be written in the Memorandum of Association of the company. Directors in a **limited liability company in Egypt** have full rights in the business and will operate on behalf of the stockholders, of course, with a final decision made by the owners. We remind that a **limited liability company in Egypt** can be set up by investors worldwide, without having to travel or relocate in this country. We can assist all foreigners when choosing an **LLC for incorporation in Egypt**.

Please feel free to **contact** our **team of experts in company formation in Egypt** for information and support when **registering an LLC in Egypt**.



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Trade Register in Egypt



The **Commercial Registry in Egypt** is in charge with the **company registration** in the country, whether made by local entrepreneurs or foreign investors who want to enter the market. The process starts with a name reservation at the **General Authority for Free Zones and Investments (GAFI)**, an institution part of the **Commercial Registry**. When preparing the documents for your new company, you can solicit help and guidance from our **company formation agents in Egypt** who have a wide experience in this field among many others.

Information about the Commercial Registry in Egypt

The **Commercial Registry in Egypt** is in charge with registering limited liability companies, joint stocks, foreign branches, representative offices in compliance with the provisions of the Corporate & Commercial Law and the Egyptian Investment Law. There are several types of documents necessary for **company incorporation** with the **Commercial Registry in Egypt**, and once accepted, the authority will issue the unique identification number of the enterprise. Please consider that the **Commercial Registry in Egypt** accepts the name of the company as soon as it has been admitted by the **GAFI**. Among the responsibilities of the **Commercial Registry in Egypt**, we remind the following:

- administrates the commercial registries of companies in a computerized system;
- issues certificates and attestations on request;
- simplifies the formalities in document matters.

In addition to the information mentioned above, you can rely on our **specialists in company formation in Egypt** for support and guidance.

How to register a limited liability company in Egypt

A **limited liability company in Egypt** is one of the most preferred and suitable business forms for entrepreneurs worldwide, as it can be 100% foreign owned. Such entity can be registered with the **Commercial Registry in Egypt**, at the **GAFI** department, if the following requirements are fulfilled:

- the Articles of Association and the Memorandum are prepared;
- the board of directors is appointed;
- information about the shareholders of the **company** is offered;
- details about the business address is provided;
- information about the minimum share capital of 1,000 Egyptian Pounds is offered.

GAFI in Egypt will verify if all the conditions have been met and then will issue the registration number of the company. The next step in **opening your business in Egypt** is to apply for tax purposes and other mandatory social contributions. Please keep in mind that **companies** with activities in **Egypt** are subject to a corporate tax rate of 25%.

Foreign investors willing to start their activities in **Egypt** must comply with the conditions of **company formation** and the legislation in this matter. Please feel free to **contact** our **team of company formation agents in Egypt** for complete support.