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Egypt

White Collar Crime

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This country-specific Q&A provides an overview of white collar crime laws and regulations applicable in Egypt.

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Egypt: White Collar Crime

1. What are the key financial crime offences applicable to companies and their directors and officers? (E.g. Fraud, money laundering, false accounting, tax evasion, market abuse, corruption, sanctions.) Please explain the governing laws or regulations.

The key financial crime offences are the following without limitation: (1) fraud, (2) bribery, (3) embezzlement, (4) forgery, (5) tax evasion, (6) insider trading & market abuse, (7) money laundering, and (8) terrorist financing. Hereinafter is a brief definition of each of the said offences:

Fraud: The Penal Code (Art. 336-359) criminalizes fraud, which is defined as intentionally deceiving others to gain unlawful financial benefit, such as falsifying documents, issuing misleading statements, concealing material information, or distributing fictitious profits.

Bribery: The Penal Code (Art. 103-120) criminalizes bribery and facilitation of bribery. Bribery is the act of offering, giving, receiving, or facilitating undue advantages to influence a personnel's authority for personal or corporate gain. It is to be noted that under Egyptian Law, bribery cannot be subjected unless there is a public employee/personnel in the act of bribery. In other words, it does not apply in private sector.

Embezzlement: The Penal Code (Art. 112) criminalizes embezzlement, which is defined as the unlawful appropriation or misappropriation of money, documents, or other assets found in the possession of an individual due to their position.

Forgery: The Penal Code (Art. 211-212) criminalizes forgery, which is defined as falsifying rulings, reports, minutes, documents, registers, books, or other official papers by means such as forging signatures or seals, altering documents or seals, adding words, or inserting forged names or images of others.

Insider Trading & Market Abuse: The Capital Markets Law ("CML") (Art. 63-64) criminalizes insider trading defined as the act of disclosing or using material non-public information obtained through one's work to gain benefit for oneself or others, or to influence securities transactions. Meanwhile, market abuse includes market manipulation, misleading disclosure in securities

offerings, and breaches in investor protection rules. These provisions not only apply to listed companies but also to other entities and individuals operating within the capital markets including their directors, officers, and auditors.

Tax Evasion: The Income Tax Law (Art. 131-136) criminalizes tax evasion, false accounting, concealment of records, and facilitation of taxpayer fraud, holding both companies and directors liable for deliberate avoidance schemes and lack of transparency and compliance with tax laws.

Money Laundering: The Anti-Money Laundering Law ("AML") (Art. 2-19) criminalizes laundering proceeds of predicate offences, including fraud, corruption, or tax crimes. Directors and officers are personally liable for non-compliance with obligations such as customer due diligence, reporting suspicious transactions, and record keeping.

Terrorist Financing: The Law Concerning the Regulation of Terrorist Entities and Terrorists Lists ("TETL") (Art. 1-15) criminalizes financing, facilitating, or supporting terrorism. Corporate entities and their directors are liable if they knowingly participate in or enable such activities, including providing funds, resources, or services to designated terrorist entities, concealing the origin or destination of funds or misusing corporate structures to facilitate terrorist financing.

2. Can corporates be held criminally liable? If yes, how is this determined/attribution?

Under Egyptian law, the default position is that corporate entities themselves are not criminally liable for offences committed by their representatives. The Penal Code does not explicitly impose criminal liability on corporate entities, and the Court of Cassation has reaffirmed that only a natural person who commits the crime, such as directors or officers, can be held criminally liable. However, certain statutes carve out exceptions by allowing for direct or joint corporate liability, first requiring that a responsible individual be identified and prosecuted then allowing the company to share liability for financial or administrative penalties.

Relevant authorities assess whether the individual in charge has committed the crime. If such a connection is

found, both the individual and the company may be held accountable. However, if no evidence links the individual to the offence, the company alone may be penalized.

3. What are the commonly prosecuted offences personally applicable to company directors and officers?

In Egypt, company directors and officers may face personal liability for a broad range of financial and corporate offences, including those outlined above in Question 1. These offences commonly arise from corporate misconduct, tax violations, capital markets breaches, money laundering, fraud, and dishonesty. Liability can also attach in cases of negligent or reckless mismanagement, where their actions or omissions directly contribute to financial loss, misrepresentation, or regulatory non-compliance. Directors and officers may therefore be held accountable for not only intentional wrongdoing but also for failure to prevent or address unlawful activities within the company.

4. Who are the lead prosecuting authorities which investigate and prosecute financial crime and what are their responsibilities?

In Egypt, several key authorities are in charge of investigating and prosecuting financial crimes:

- a. **The Public Prosecution:** This body is responsible for handling all criminal cases, including financial crimes like fraud, embezzlement, money laundering, and corruption. The public prosecution gathers evidence, conducts investigations, and refers cases to the competent courts for prosecution.
- b. **The Egyptian Financial Regulatory Authority (FRA):** The FRA regulates and oversees non-banking financial markets in Egypt, such as insurance, securities, and capital markets. It investigates financial crimes within these areas and works with other authorities when necessary to prosecute offenders.
- c. **Accountability State Authority (ASA):** The ASA is an independent government body that audits public financial transactions to ensure transparency and accountability. If it detects financial crimes like misuse of public funds or corruption, it refers cases to the public prosecution or other authorities for further action.
- d. **The Anti-Money Laundering and Terrorist Financing Combating Unit (AMLTCU):** This unit, under the Central Bank of Egypt, monitors and reports suspicious financial transactions related to money

laundering, and combats terrorist financing in its different forms. It collaborates with law enforcement and other agencies to investigate and take legal action against money laundering activities.

- e. **The Egyptian Administrative Control Authority (ACA):** The ACA oversees government operations to ensure legal compliance and detect administrative or financial misconduct. It investigates corruption and may extend inquiries to civil entities. When further action is needed, cases are referred, with the ACA Chairman's or deputy's approval, to the appropriate investigative body, including the Administrative Prosecution, and the public prosecution, which must report back the results. The ACA also audits public finances to ensure lawful and transparent government spending. Together, these agencies enforce Egypt's financial crime laws, helping maintain the integrity of the financial system and ensuring that those involved in financial crimes are prosecuted.

5. Which courts hear cases of financial crime? Are they determined by tribunals, judges or juries?

While criminal courts in Egypt generally have jurisdiction over felony and misdemeanour cases, certain financial and economic crimes fall under the exclusive jurisdiction of the Economic Courts, which were established to handle offences arising from specialized laws. These include, but are not limited to, offences under the CML, AML, Companies Law, Electronic Signature Law, Investment Law, and other legislation governing banking, insurance, intellectual property, competition, and consumer protection.

In that case, court proceedings are presided by judges only, considering that juries (or anything similar thereto), are not recognized under the Egyptian law and therefore do not take part of any proceedings before any court of competent jurisdiction.

6. How do the authorities initiate an investigation? (E.g. Are raids common, are there compulsory document production or evidence taking powers?)

In Egypt, the initiation of criminal investigations falls exclusively within the authority of the public prosecution. No other person may commence proceedings, except in cases expressly provided for by law (e.g. the Egyptian Tax Authority). The Public Prosecutor may conduct investigations personally or delegate them to a member of the prosecution. In certain circumstances, other

persons appointed by law may also perform prosecutorial functions.

As judicial officers, the aforementioned authorities may arrest and search in cases of flagrante delicto, initiate investigations upon a victim's complaint or, for offences involving public officials or entities, proceed without complaint based on regulatory authority reports and written authorization.

Investigative measures include compulsory evidence-gathering powers, such as searches and seizures, which are limited to items related to the crime under investigation. If, during a search, evidence of another crime is discovered, the authorities may seize such items to further the investigation. These powers ensure that relevant documents, records, and materials can be collected to establish facts, particularly in white-collar crime cases.

Additionally, procedural rules, including statutes of limitation and deadlines for submitting complaints or evidence, govern when investigations may be initiated and how they proceed. In minor offences, settlements may be offered before or even after the filing of a case, which can extinguish the criminal investigation while preserving civil claims.

7. What powers do the authorities have to conduct interviews?

Under Egyptian law, the public prosecution and investigating judges are vested with broad powers to summon, investigate, interview, and if necessary, detain suspects, witnesses, and corporate representatives. The Criminal Procedures Law explicitly provides that an investigating judge may issue orders for the attendance or arrest of the accused, ensure proper service of such orders, and, where required, place individuals in correctional facilities for up to 24 hours pending interrogation. These provisions allow authorities to secure participation in questioning and ensure that interviews and statements are lawfully recorded.

In the context of financial crimes, these general powers are supplemented by sector-specific legislation. Under the Companies Law and CML, directors, officers, and auditors may be questioned in cases of misrepresentation, false accounting, market manipulation, or misleading disclosure. The AML further empowers authorities to seek testimony and documentation from financial institutions, their staff, and designated non-financial businesses and professions, particularly regarding suspicious transactions, due

diligence, and reporting obligations. Similarly, the Income Tax Law authorizes the questioning of company representatives to clarify accounts or financial declarations in cases of suspected tax evasion.

Procedural safeguards offer balance alongside the investigatory powers. The Criminal Procedures Law requires that any interrogation of the accused be conducted in the presence of their legal counsel and expressly prohibits separation of the accused from their lawyer during questioning. This framework ensures that prosecutorial and regulatory powers, although broad, are exercised in a manner consistent with the accused's right to defense.

8. What rights do interviewees have regarding the interview process? (E.g. Is there a right to be represented by a lawyer at an interview? Is there an absolute or qualified right to silence? Is there a right to pre-interview disclosure? Are interviews recorded or transcribed?)

In criminal cases, including white-collar crimes in Egypt, Criminal Procedures Law requires that, upon their first appearance for investigation, the accused must have their identity verified and be informed of the charges against them. Their statements must be recorded in the official report to ensure transparency and an accurate record of the proceedings.

For serious offences, including those punishable by mandatory imprisonment, the accused has the right to be represented by a lawyer during questioning or confrontations with other accused persons or witnesses. If the accused does not have a lawyer, or if the lawyer fails to appear, the investigator must appoint one. The lawyer may raise defenses, make requests, and record observations in the official report, and is entitled to review the investigation file prior to questioning. Moreover, the accused cannot be separated from their lawyer during interviews, have the right to meet privately with their lawyer, and the right to silence, ensuring protection from coercion and proper documentation of all statements.

In white-collar crime cases, these safeguards ensure the accused's rights to counsel, informed participation, and protection are upheld amid complex financial investigations.

9. Do some or all the laws or regulations governing financial crime have extraterritorial

effect so as to catch conduct of nationals or companies operating overseas?

Egyptian financial crime laws are primarily territorial but allow limited extraterritorial application in specific cases, particularly where Egyptian nationals are involved, the principal of dual criminality applies, or the offence produces effects within Egypt.

Under the AML, jurisdiction may be extended if a predicate offence committed abroad is criminalized both locally and in the foreign jurisdiction, and its proceeds are dealt with in Egypt. This includes crimes like drug trafficking, arms smuggling, and terrorism financing.

The TETL complements AML by designating individuals and entities involved in terrorism, based on public prosecution requests. Compliance with this list is part of AML framework and relation reporting obligations.

The Penal Code also provides extraterritorial reach. It criminalizes forgery committed abroad and allows prosecution of Egyptian nationals for crimes committed overseas, provided those acts constitute offences and are punishable under Egyptian law and the laws of the foreign jurisdiction.

Additionally, Egypt participates in international treaties, such as the UN Conventions against Corruption and Transnational Organized Crime, and bilateral MLA treaties, enabling cross-border cooperation in financial crime investigations, enforcement, and asset recovery.

Egyptian courts may also assert jurisdiction if a crime's proceeds are located in Egypt, where the crime impacts Egyptian interests or where it involves Egyptian entities.

In short, while Egypt's laws remain largely territorial, specific statutory provisions and international cooperation mechanisms enable Egyptian authorities to address transnational financial crimes under defined conditions.

10. Do the authorities commonly cooperate with foreign authorities? If so, under what arrangements?

Yes, Egyptian authorities actively cooperate with foreign counterparts in criminal matters, particularly in combating money laundering, terrorist financing, and transnational organized crime. Egypt has signed MLA treaties with several countries, including Ukraine, Morocco, Greece, South Africa, the United States of America, Armenia, Belarus, and India, which provide a

legal framework for cooperation in investigations, evidence gathering, witness testimony, seizure and confiscation of assets, and the transfer of detained persons. These treaties ensure that cooperation respects the sovereignty and legal systems of both parties, and include safeguards for confidentiality, fair treatment, and proper handling of information. Egypt is also a party to the UN Conventions against Corruption and Transnational Organized Crime, which further facilitate international collaboration.

In addition, a specialized unit within the Central Bank of Egypt established by virtue of the AML, the AMLTFCU, as it is mandated to conclude cooperation agreements and memoranda of understanding with counterpart foreign units and international organizations to facilitate information sharing and technical collaboration.

11. What are the rules regarding legal professional privilege? What, if any, material is protected from production or seizure by financial crime authorities?

In Egypt, the concept of legal professional privilege is governed by a statutory duty of confidentiality. This duty, established under the Legal Professions Law, prohibits lawyers from disclosing any confidential information obtained from the client, except when the client's explicit consent is obtained.

However, there is a key statutory exception that exists, permitting a lawyer to disclose confidential information without the client's consent if it relates to the commission of a criminal offence—whether a felony or misdemeanor—that is actively being committed or planned. This exception is narrowly defined and must be interpreted in line with the overarching principle of client confidentiality.

12. What rights do companies and individuals have in relation to privacy or data protection in the context of a financial crime investigation?

Under Egyptian law, privacy and confidentiality rights of individuals and companies are recognized but subject to limitations where criminal investigations are concerned. The Criminal Procedures Law vests the public prosecution and investigating judges with broad powers to obtain testimony, documents, and information relevant to suspected offences. For example, authorities may issue orders concerning attendance, arrest, interrogation, and the compelled testimony of witnesses, including corporate directors/officers in cases of financial crimes.

Failure to appear may result in fines or compulsory attendance. These provisions reflect the principle that investigatory necessity may override individual privacy where required to establish the truth and accuracy in criminal matters.

In the corporate sphere, Companies Law imposes obligations of transparency regarding records, disclosures, and reporting. In cases of suspected misconduct – such as false disclosures, market manipulation, or misrepresentation of corporate information – authorities may compel the production of documents or testimonies from directors, auditors, or compliance staff, thereby curtailing corporate confidentiality.

Safeguards nonetheless exist. The Criminal Procedures Law requires that the accused persons are interrogated in the presence of their legal counsel, preventing undue intrusion into defense rights. Likewise, as per the Criminal Procedures Law, investigatory actions must remain relevant and proportionate to the offence that has taken place and tied to statutory authorizations. These safeguards form a limited framework for balancing privacy with the State's interest in investigating and prosecuting financial crimes.

13. Is there a doctrine of successor criminal liability? For instance in mergers and acquisitions?

Egyptian law does not recognize the doctrine of successor criminal liability. In the context of mergers and acquisitions, a successor entity does not assume criminal liability for offences committed by its predecessor.

This position is grounded in a core principle of Egyptian criminal law: criminal liability is personal and non-transferrable. Criminal liability is attached only to the individual, whether a natural person or, in certain cases, a corporate entity, who committed the offence.

Thus, while civil liabilities may follow the successor, criminal liability remains strictly with the original offender.

14. What factors must prosecuting authorities consider when deciding whether to charge?

When deciding whether to bring criminal charges, prosecuting authorities must determine whether the legal element (*that the act is criminalized under law*), material

element (*actus reus*) (*that the prohibited act occurred*), and moral element (*mens rea*) (*that the offender had the requisite intent or knowledge*) of the offence are satisfied. These three pillars form the foundation of criminal liability within the Egyptian legal framework, and the absence of any one of them precludes criminal prosecution. The authorities must also ensure that the alleged conduct is classified as a criminal offence under applicable legislation, and that there is sufficient admissible evidence to support the case. In addition, it is well-established under Egyptian jurisprudence that the causation in criminal matters is a material relationship that originates from the wrongful act committed by the perpetrator and is morally connected to the consequences that the perpetrator ought to have foreseen as the natural outcome of his conduct. The establishment of such a causal relationship is a matter of fact that falls within the exclusive discretion of the judge.

Moreover, certain offences may also require additional statutory conditions specific to their legal classification. Once all legal elements, evidentiary thresholds, and any applicable statutory requirements are met, the case may be referred to the competent criminal court.

15. What is the evidential standard required to secure conviction?

To secure conviction, Egyptian Law requires proof '*beyond reasonable doubt*'. The Criminal Procedures Law vests the judge with discretion to assess the sufficiency of the evidence and requires acquittal if the evidence fails to establish guilt. This is reinforced by the Egyptian Constitution, which enshrines '*the presumption of innocence of an accused person until proven guilty*'.

16. Is there a statute of limitations for criminal matters? If so, are there any exceptions?

Yes, under Egyptian law, criminal proceedings are generally subject to limitation periods: ten (10) years for felonies, three (3) years for misdemeanours, and one (1) year for infractions, commencing from the date of the offence. However, Article 15 of the Criminal Procedures Law establishes certain exceptions, particularly offences listed in specific chapters of the Penal Code such as bribery, embezzlement of public funds, and abuse of official authority. For these offences, the law removes limitation periods for criminal action. Moreover, when such crimes are committed by public officials, the limitation period does not commence until the official leaves office or their public capacity ceases, unless an investigation has already been initiated. In all cases, the

limitation period for criminal proceedings shall not be suspended for any reason whatsoever. However, in the case of continuity in the use of forged document(s), the statute of limitations does not apply.

The limitation periods are interrupted by investigation, indictment, trial procedures, criminal orders, or investigative measures taken against the accused, or if the accused has been officially notified thereof. The limitation period shall then resume from the date of interruption.

Furthermore, the penalty imposed for a felony lapse after twenty (20) years, while the penalty imposed for a misdemeanour lapse after five (5) years, and the penalty for an infraction lapse after two (2) years.

In relation to tax offences, under Unified Tax Procedures Law, the statute of limitations for criminal proceedings related to tax offences begins five (5) years from the end of the year in which the tax was due. This period may be interrupted by any of the following: (i) causes under the Civil Code, including filing a lawsuit, acknowledgment of debt, formal notice, or judicial enforcement measures; (ii) notification of the tax assessment; (iii) formal notice to the taxpayer; or (iv) referral to tax appeal committees. Once interrupted, the limitation period restarts, and if multiple interruptions occur, it shall commence from the date of the last procedure.

17. Are there any mechanisms commonly used to resolve financial crime issues falling short of a prosecution? (E.g. Deferred prosecution agreements, non-prosecution agreements, civil recovery orders, etc.) If yes, what factors are relevant and what approvals are required by the court?

In Egypt, financial crimes such as embezzlement of public funds, misappropriation, and breach of trust can be resolved without prosecution through a structured settlement or reconciliation process under the Criminal Procedures Law. This legal mechanism allows for resolution outside the formal court system, provided certain conditions are met: Key Elements of the Settlement Mechanism:

1. Eligible Crimes:

Applies to particular financial crimes (e.g. embezzlement, misappropriation, breach of trust), in which could be settled under the Penal Code.

2. Settlement Agreement:

Initiated by a committee of experts formed by a Prime Ministerial decision. Also, it requires the accused parties to sign the agreement.

3. Cabinet Approval

The settlement must be formally approved by the Cabinet.

4. Notification of the Public Prosecutor:

The Public Prosecutor must be notified once a settlement is reached, whether during investigation or trial. The latter results in termination of criminal proceedings.

5. Suspension of Sentences:

If the settlement is made prior a final judgment, the Public Prosecutor may suspend the penalties. Whereas, post the conviction, a request for suspension is submitted to the Court of Cassation.

Settlement Approval Process:

- Prime Minister's Decision: Establishes the expert committee.
- Cabinet Approval: Grants legal effect to the settlement.
- Public Prosecution Notification: Finalizes the legal proceedings closure of the case.
- Court of Cassation Review: Only applicable if a sentence suspension is requested post-conviction.

18. Is there a mechanism for plea bargaining?

There is no plea bargaining in the common law sense under Egyptian law. However, a number of statutes provide for conciliation or settlement mechanisms which terminate criminal proceedings during or upon its conclusion. Examples include reconciliation in misdemeanours and tax settlements.

19. Is there any obligation to disclose discovered misconduct to prosecuting authorities, or any benefit to making a voluntary disclosure? Is there an established route or official guidance for making such disclosures?

In Egypt, there is no general statutory obligation imposed on companies or their directors to disclose discovered misconduct to the prosecuting authorities under the Penal Code, the Companies Law, or the CML. These frameworks define and sanction acts such as fraud, misrepresentation, false accounting, or market

manipulation, but do not establish a mechanism of self-reporting, nor do they provide formal leniency for voluntary disclosure.

The primary exception arises under the AML, which imposes explicit obligations on financial institutions and designated non-financial businesses and professions to report suspicious transactions to the AMLTFCU. Non-compliance with these disclosure duties may itself constitute a criminal offence, and the law provides a structured channel for making such reports.

Beyond this AML framework, the laws provided do not set out formal benefits for voluntary disclosure or cooperation.

20. What rules or guidelines determine sentencing? Are there any leniency or discount policies? If so, how are these applied?

Sentencing in white-collar crime cases is primarily governed by the Egyptian Penal Code, the Code of Criminal Procedure, and a number of specialized legislative instruments, most notably the AML and the Illicit Gains Law. These laws provide not only the applicable penalty structures but also mechanisms through which courts may exercise discretion to reduce or mitigate sentences in cases involving financial and economic crimes.

White-collar offences under Egyptian law are subject to specific statutory penalties, typically including imprisonment, monetary fines, and the confiscation of assets obtained through criminal conduct. The applicable punishment depends on the offence in question. For instance, fraud and forgery are addressed under the Penal Code, which deals with crimes harmful to public trust. Embezzlement and abuse of public office are dealt with under the provisions relating to crimes by public officials, while money laundering is regulated under AML, which mandates a minimum sentence of three years imprisonment and fines of not less than EGP 100,000. Enhanced penalties may apply in aggravated circumstances.

Although statutory ranges guide sentencing, Egyptian courts retain broad discretion in determining the appropriate penalty within those limits. Judges are expected to consider various factors, including the seriousness of the offence, the role and intent of the offender, and any mitigating or aggravating circumstances. This discretion is supported by Article 17 of the Penal Code, which allows courts to impose sentences below the statutory minimum where

exceptional personal, social, or contextual factors justify such mitigation.

Judicial mitigation under Article 17 is commonly applied in white-collar crime cases, particularly when the accused is a first-time offender, when there is evidence of remorse, or where the defendant has voluntarily returned misappropriated funds. Such considerations allow courts to impose a lesser sentence than would ordinarily be prescribed by law. In many cases, this principle facilitates rehabilitative justice where the harm caused by the crime has been remedied or substantially mitigated.

In addition to judicial discretion, Egyptian law permits reconciliation and settlement mechanisms in financial crimes involving public funds. Under the Illicit Gains Law, it is allowed for the accused to enter into reconciliation with the State at any stage of the investigation or trial, provided that the unlawfully obtained gains are returned in full. Successful reconciliation can result in the suspension or termination of criminal proceedings and may exempt the offender from custodial penalties. This provision is particularly significant in high-profile corruption cases, where the State prioritizes the recovery of misappropriated assets over punitive outcomes.

Furthermore, under the AML, courts may reduce or suspend penalties where the accused reports the offence before its discovery or provides substantial assistance in uncovering related crimes or other perpetrators. This provision encourages voluntary cooperation and reflects a broader policy objective of strengthening enforcement through informant-led investigations. More generally, under the Criminal Procedures law, an early confession, especially during the investigation stage, may also be considered a mitigating factor during sentencing. Cooperation with authorities, including assistance in tracing assets or identifying co-conspirators, is similarly taken into account and can positively influence the sentencing outcome.

However, the application of leniency in white-collar crime cases is subject to certain limitations. Repeat offenders are generally excluded from the benefit of judicial mitigation, as provided under the Penal Code. Likewise, offences involving terrorism financing, large-scale fraud, or organized financial crime typically attract aggravated penalties under AML and TETL. In addition, public interest considerations may limit judicial discretion in high-profile corruption cases, where accountability and deterrence are seen as critical to maintaining public confidence in the justice system.

21. How are compliance procedures evaluated by the prosecuting authorities and how can businesses best protect themselves?

In relation to white-collar crimes, compliance procedures are evaluated within a structured legal framework involving multiple regulatory and enforcement bodies. Under the AML, a specialized unit, the AMLTFCU has been established by the Central Bank of Egypt (CBE). This unit is responsible for receiving and analysing reports of suspicious transactions and financial activities from financial institutions and designated non-financial businesses and professions. The AMLTFCU examines the submitted reports and supporting information. If there is sufficient indication of a legal violation, the unit refers the matter to the public prosecution for further legal action.

In parallel, several key State authorities are responsible for monitoring and enforcing compliance. The ACA plays a central role in detecting administrative and financial violations and criminal offences committed by public employees in the course of or due to their official duties. It is also responsible for uncovering offences involving the abuse of public office to gain unlawful benefits or profits. The ACA further leads in developing and implementing the National Anti-Corruption Strategy, in cooperation with relevant State bodies, and is empowered to coordinate and exchange information and expertise with both national and international anti-corruption entities.

The FRA oversees non-banking financial markets, ensuring transparency and market integrity by inspecting licensed entities and addressing market manipulation and fraud. The General Authority for Investment and Free Zones (GAFI) play an additional regulatory role by monitoring compliance and legal eligibility of company management personnel, including directors and legal representatives.

To best protect themselves, businesses should ensure full compliance with applicable laws and regulatory requirements. This includes implementing strong internal policies and controls, maintaining accurate records, training staff, and promptly reporting any suspicious activities to the AMLTFCU. Full cooperation with supervisory bodies, along with transparent practices, are key to mitigating legal risks and ensuring regulatory compliance.

22. What penalties do the courts typically impose on individuals and corporates in relation to the

key offences listed at Q1?

In Egypt, penalties for financial crimes vary depending on the applicable law, the seriousness of the offence, and whether liability attaches to an individual or a corporate entity. Key penalties applicable to companies and their directors or officers include:

Fraud: As per the Penal Code, persons who commit fraudulent actions are subject to liability and shall be punished by imprisonment, reflecting the seriousness with which the law treats fraud-related offences.

Bribery: Under the Penal Code, bribery is punishable by having individual offenders facing custodial sentences, specifically long-term penal servitude, and a fine not less than EGP 1000 and not exceeding the value of what was given or promised.

Embezzlement: For public officials who embezzle funds, documents, or other property found in their possession by reason of their position, they shall be penalized with aggravated imprisonment, and life imprisonment in cases of the offender being a monetary collection officer, if the embezzlement is connected with forgery or use of forged document(s), or if the crime was committed during wartime and results in harm to the economic position of the country or to a national interest.

For non-public persons who embezzle funds, documents, or other property found in their possession by reason of their position, shall be punished with imprisonment for a term not exceeding five (5) years.

Forgery: Forgery is criminalized under the Egyptian Penal Code as a serious offence against public trust and state authority. The law punishes any person who forges, counterfeits, or knowingly uses forged official instruments, signatures, or government-issued documents with aggravated imprisonment or imprisonment.

Fraud & Misrepresentation: The Penal Code also penalizes fraud, forgery, misappropriation of funds, and false representation, through sanctioning individuals through imprisonment, fines, restitution, and confiscation of illicit proceeds, and corporates being held liable where management is involved in, or has knowledge of, the offence.

Insider Trading & Market Abuse: The CML includes penalties for insider trading, market manipulation, and misleading disclosure, encompassing imprisonment, fines ranging from EGP 50,000 up to EGP 20 million or the equivalent of illicit gains, suspension or revocation of

licenses, cancellation of securities offerings, and disqualification from serving as directors of listed entities. This is reinforced by the Illicit Gains Law, which imposes fines and imprisonment on entities benefiting from illicit proceeds.

Tax Evasion: Under the Income Tax Law, tax evasion, false accounting, record concealment, and aiding or abetting evasion are punishable by imprisonment and fines proportional to the evaded tax. Liability extends to both individuals (including company directors and officers) and corporate taxpayers where deliberate schemes are put to avoid tax obligations.

Money Laundering: Under the AML, individuals and corporates may be penalized for laundering proceeds derived from predicate offences such as fraud, corruption, or tax crimes. Individuals may face imprisonment of up to seven years and fines between EGP 100,000 and EGP 5 million. Corporates may be subject to confiscation of laundered assets, fines proportionate to the illicit proceeds, suspension of operations, or revocation of licenses.

Terrorist Financing: Under the AML, Penal Code, and TETL, financing of terrorism carries enhanced penalties. Individuals may face long-term imprisonment and substantial fines, while corporates may be subject to asset freezing, fines proportional to illicit funding, and suspension or revocation of licenses. Liability applies where entities or their management knowingly facilitate, support, or conceal funds intended for terrorist activities.

23. What rights of appeal are there?

The following outlines the appeal process specifically for financial crimes:

1. Appeal of Criminal Convictions in Financial Crimes

In cases involving financial crimes, such as fraud, embezzlement, money laundering, or corruption, the accused party has the right to appeal the verdict issued by the Court of First Instance. Appeals in criminal matters are typically submitted to the Court of Appeal, which reviews the legal aspects of the case and may uphold, amend, or overturn the decision. If the verdict involves severe penalties, such as life imprisonment or death, the case may be subject to an automatic review by the Cassation Court.

2. Cassation Court

The Cassation Court serves as the highest appellate body in Egypt for both criminal and civil matters, including

financial crimes. Its primary function is to ensure the correct interpretation and application of the law in cases of financial offences. Appeals to the Cassation Court are – in principle – focused on legal questions and the proper application of legal principles, not on re-evaluating the factual evidence presented in the case. This court can annul or uphold lower court rulings if it finds a legal error.

3. Egyptian Economic Courts

For financial crimes specifically related to economic matters such as commercial fraud, bankruptcy offences, or violations in the securities market, the Economic Courts are specialized courts that have jurisdiction over such cases. These courts are responsible for handling disputes and offences involving, most of the time, commercial entities, including businesses and financial institutions. Decisions made by the Economic Courts can be appealed to the Court of Appeal for Economic Cases, and subsequently, if necessary, to the Cassation Court. More serious offences are heard in the first instance by the Court of Appeal for Economic Cases and its appeal before the Court of Cassation. This appeal process ensures that legal matters in the economic and financial sectors are handled by courts with specialized expertise.

4. Appeal of Financial Administrative Decisions

In cases where financial crimes involve administrative decisions, such as tax evasion or violations of financial regulations, individuals or businesses may have the right to appeal decisions made by administrative bodies or government agencies. Such appeals are filed before the Administrative Court, and the Supreme Administrative Court acts as the final appellate authority for administrative financial matters. This process applies particularly in cases related to financial sanctions, penalties, or tax assessments.

In certain cases, financial crimes that involve the securities market or non-bank financial institutions may be subject to review by specialized bodies such as the FRA or other regulatory agencies. While these bodies typically handle investigations and initial decisions, appeals related to their rulings may be taken to competent courts, such as the Administrative Courts, Criminal Courts or Economic Courts, depending on the nature of the case.

24. How active are the authorities in tackling financial crime?

The Egyptian authorities adopt a proactive enforcement approach in relation to financial crime within both the

public and private sectors. Enforcement draws upon several legal regimes, including the Penal Code, Companies Law, CML, Income Tax Law, and the AML. Collectively, these laws provide prosecutors and regulators with broad investigative and sanctioning powers, covering offences ranging from fraud, corruption, and tax evasion to insider trading, market manipulation, and money laundering.

Recent enforcement activity illustrates this commitment. The public prosecution has undertaken proceedings against large-scale corruption and embezzlement cases, while the FRA has tightened oversight of securities markets, focusing on market abuse and misleading disclosure. The reports highlight this heightened stance: in one case, authorities announced the uncovering of a major corruption network involving senior officials, and in another, investigative bodies were shown working in coordination to address fraud and financial misconduct.

Overall, the authorities' activity reflects a dual approach: on the one hand, the reliance on long-standing provisions of the Penal Code to address corruption and fraud, while enforcing sector-specific regimes, such as the CML and AML, to target corporate and financial-sector offences. This demonstrates an increasingly proactive posture in tackling financial crime, with both individuals and companies facing closer scrutiny.

25. In the last 5 years, have you seen any trends or focus on particular types of offences, sectors and/or industries?

Yes, over the past five years, there has been a clear increase in financial crimes related to online fraud, especially in the fintech and digital investment sectors. Many of these crimes involve fake online platforms that trick people into investing money, promising high returns that never materialize.

Criminals often use false identities and digital wallets to move and hide stolen money. These tools make it easier to launder funds and transfer them across borders without detection. In many cases, these activities are linked to international crime networks.

Egyptian authorities have focused strongly on these types of offences. They have shut down several fraudulent platforms that caused large financial losses to the public. Their efforts have included arrests, and assets seizure. Overall, this trend has prompted increased regulatory oversight and closer coordination between national and international authorities to address emerging risks in the digital financial landscape.

26. Have there been any landmark or notable cases, investigations or developments in the past year?

In the past year, Egypt has witnessed several notable financial crime investigations in which authorities uncovered sophisticated schemes and detained the accused pending trial. These cases highlight the government's active stance in combating corruption, fraud, and money laundering.

For example, in March 2024, the authorities arrested multiple employees in the Ministry of Social Solidarity for forgery, embezzlement, and bribery, including the unlawful issuance of special-needs service cards to facilitate tax-free car imports. The accused were remanded in pre-trial detention.

Also, in March 2024, 18 officials within the Civil Aviation Ministry were arrested for illicit foreign currency trading and profiteering, having unlawfully converted more than USD 1 million. They were placed in pre-trial detention following investigations by the competent authorities.

These cases illustrate the Egyptian authorities' increased reliance on detention as a preventive and investigative measure in financial crime matters, underscoring the State's broader policy of deterrence and accountability in corruption-related offences.

27. Are there any pending or proposed changes to the legal, regulatory and/or enforcement framework?

Yes. Egypt is undergoing significant reforms that impact white-collar crime enforcement. For example, in taxation, the government is implementing a broad reform package, which includes mandatory e-invoicing and e-receipts aimed at combating tax evasion and enhancing transparency. On AML, the authorities continue to strengthen the AML/CFT regime under the law, with recent supervisory updates in line with the FATF recommendations of 2024. Finally, the FRA is advancing new governance and compliance measures across non-banking financial services, reflecting a broader trend of tightening regulatory oversight in Egypt.

28. Are there any gaps or areas for improvement in the financial crime legal framework?

While Egypt has made notable progress in developing its financial crime legal framework, particularly through the enactment of the AML, and the establishment of

specialized regulatory bodies, certain gaps and challenges remain.

Under the Penal Code, bribery is primarily criminalized in the context of public officials. This means that offering, giving, or receiving a bribe is only punishable when it involves a public employee, or someone acting in an official capacity within the public sector. There is currently no comprehensive legal provision that criminalizes bribery in the private sector, which creates a significant loophole. The absence of clear rules addressing corrupt practices between private entities or individuals can jeopardize fair competition and transparency in commercial transactions. Furthermore, with respect to Egypt's financial crime legal framework, it was highlighted by the FATF in 2024 that Egypt was partially compliant in several core areas, reflecting weaknesses that require further strengthening. For instance, the money laundering offence still has shortcomings in scope and application, limiting its full

alignment with international standards. Similarly, the regulation and supervision of designated non-financial businesses and professions remain inadequate, particularly in terms of implementing a risk-based approach and ensuring effective monitoring. These partially compliant ratings collectively underscore the need for legislative amendments, improved supervisory practices, and enhanced enforcement to close existing gaps and bring Egypt closer to full compliance with global AML/CFT standards.

Further, many supervisory and regulatory authorities in Egypt still struggle to adopt and implement advanced investigative tools. Respondents and assessments confirm a significant technology gap between the private sector and regulators. This affects the authorities' ability to monitor transactions in real time and enforce compliance effectively. Bridging this gap requires not only the procurement of appropriate technologies but also the development of internal technical expertise and digital infrastructure within regulatory bodies.

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