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Legal Framework for Industrial
Licensing and Registration in Egypt
A Legal Guide for Companies and Investors on Industrial Licensing
Industrial Registration, and Regulatory Compliance ,

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A Legal Guide for Companies and Investors on Industrial Licensing, Industrial Registration, and Regulatory Compliance

Overview

This Legal Guide provides a structured overview of the **legal and regulatory framework governing industrial licensing and registration in Egypt**, outlining the principal requirements for conducting industrial activities, the distinction between an industrial operating license and industrial registration, the prior licensing and notification systems, and the key legal risks associated with operating an industrial establishment without complying with the applicable requirements.

The Guide also addresses the principal legislation governing industrial activities, the role of the **General Authority for Industrial Development (GAFI)**, and the key legal considerations that investors and industrial companies should take into account before commencing operations and throughout the operation of an industrial establishment.

The Guide is intended to serve as a practical legal reference for investors, industrial project owners, companies, and legal professionals seeking to understand industrial compliance requirements and identify the legal procedures required to establish and operate industrial establishments in Egypt.

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Introduction

The industrial sector represents one of the key components of the Egyptian economy, given its role in supporting domestic production, promoting investment, creating employment opportunities, and enhancing the competitiveness of the national economy.

Given the technical and regulatory nature of industrial activities and their potential impact on safety, health, and the environment, Egyptian legislation subjects industrial activities to a legal and regulatory framework aimed at regulating the establishment and operation of industrial establishments, ensuring compliance with technical, environmental, health, and security requirements, while facilitating industrial investment.

The **industrial operating license and registration in the Industrial Register** constitute two of the principal legal requirements associated with conducting industrial activities in Egypt, although each has a distinct legal nature and produces different legal effects.

I. Industrial Operating License

An industrial operating license is the legal authorization issued by the competent administrative authority permitting an industrial establishment to conduct its industrial activity in accordance with the requirements and procedures prescribed by law.

The **General Authority for Industrial Development (GAID)** has the principal jurisdiction over the organization of industrial licensing procedures within the framework of the applicable legislation, regulations, and technical requirements.

Depending on the nature of the activity, the licensing system is intended to verify the establishment's compliance with requirements relating to:

- The safety of the establishment and its buildings;
- The safety of machinery and equipment;
- Environmental requirements;
- Occupational health and safety requirements;
- Civil protection and fire prevention requirements;

- The nature and location of the activity; and
- The technical and production requirements applicable to the activity.

Industrial licensing is therefore not merely an authorization to conduct an activity. It constitutes one of the regulatory mechanisms through which the State regulates industrial activities and seeks to strike a balance between **facilitating investment and ensuring compliance with technical, environmental, health, and safety requirements**.

II. Industrial Register

The Industrial Register is the official register in which industrial establishments are registered in accordance with the applicable rules and procedures.

Registration records the principal information relating to the industrial establishment and its activity, including, as applicable:

- The name of the establishment;
- Its legal form and the relevant particulars of its owner or company;
- The industrial activity;
- The location of the establishment;
- Production capacity;
- Number of employees;
- Date of commencement of activity;
- Machinery and equipment used; and
- Relevant technical information concerning the activity.

Registration in the Industrial Register is particularly significant as a regulatory requirement associated with the conduct of industrial activities and, where the applicable legal conditions are satisfied, with access to the benefits, services, and facilities made available by the State and the competent authorities to industrial establishments.

Depending on the nature of the project and the conditions prescribed by law, such benefits may include access to certain incentives, facilities, and services relating to industrial investment, including matters concerning land and utilities, financing, certain customs procedures, and other forms of governmental support.

III. Legal Risks of Operating an Industrial Activity Without Complying with the Applicable Requirements

Conducting an industrial activity in violation of the applicable industrial licensing or notification requirements may result in a range of legal and administrative consequences, depending on the regulatory regime applicable to the establishment.

Law No. 15 of 2017 on Facilitating Procedures for Granting Licenses for Industrial Establishments establishes penalties for certain violations.

Under **Article 40** of the Law, any person who manages an industrial establishment subject to prior licensing requirements or operates such establishment without obtaining the legally required license may be punished by imprisonment for a period not exceeding one year and a fine of not less than **EGP 100,000 and not exceeding EGP 5 million**, or by either penalty, in addition to closure of the industrial establishment.

Article 41 further provides for a fine in cases involving the management or operation of an industrial establishment subject to the notification system without submitting the required notification to the competent administrative authority, within the limits prescribed by law. The court may also order the closure of the industrial establishment.

Accordingly, commencing production or operating an industrial establishment before satisfying the applicable legal requirements is not merely a procedural violation. It may give rise to **criminal and administrative liability and directly affect the continued operation of the establishment**.

IV. Distinction Between the Industrial Operating License and the Industrial Register

Although the industrial operating license and the Industrial Register are closely connected, they have different legal and regulatory functions.

Industrial Operating License	Industrial Register
Constitutes the legal authorization to conduct the industrial activity under the applicable regulatory regime.	Constitutes the official registration of the industrial establishment in the relevant register.
Relates to compliance with the technical and regulatory requirements necessary to conduct the activity.	Records the principal particulars of the establishment and its industrial activity.
Authorizes the conduct of the activity within the applicable legal framework.	Establishes the establishment's registration within the regulatory system applicable to industrial establishments.
The activity may be subject to either prior licensing or notification, depending on its nature.	Relates to the formal registration of the industrial establishment in accordance with the applicable rules.

Accordingly, the industrial operating license and the Industrial Register should not be treated as the same document or as interchangeable requirements. The specific requirements and procedures applicable to each must instead be determined according to the **nature of the industrial activity and the licensing regime applicable to it.**

V. Prior Licensing and Notification Systems

One of the key developments introduced by **Law No. 15 of 2017 on Facilitating Procedures for Granting Licenses for Industrial Establishments** was the organization of industrial activities through two principal regulatory systems:

1. Prior Licensing

Where an industrial activity is subject to prior licensing, the establishment may not commence the activity until the required license has been obtained and the applicable legal and technical requirements have been satisfied.

2. Notification

Where an industrial activity is subject to the notification system, the investor may commence the activity in accordance with the procedures prescribed by law and the applicable regulations, provided that the required notification is submitted and the applicable requirements are satisfied.

The applicable system is determined based on the **nature of the industrial activity, the degree of risk associated with it**, and other criteria established under the relevant regulatory framework.

VI. Governing Legal Framework

The industrial licensing and registration system in Egypt is principally governed by a number of laws and regulatory instruments, most notably:

- **Law No. 15 of 2017 on Facilitating Procedures for Granting Licenses for Industrial Establishments.**
- **Law No. 95 of 2018 concerning the General Authority for Industrial Development.**
- The Executive Regulations and regulatory decisions and instruments issued pursuant to the above laws.
- Environmental, health, occupational safety, and civil protection legislation applicable to the nature of the relevant industrial activity.

VII. Legal Considerations for Industrial Investors

Before establishing or operating any industrial project in Egypt, an investor should assess a number of legal and regulatory matters, including:

1. Identifying the legal and technical classification of the industrial activity.
2. Determining whether the activity is subject to prior licensing or the notification system.
3. Verifying the suitability of the proposed site for the intended industrial activity.
4. Satisfying the applicable technical, environmental, and health requirements.
5. Satisfying civil protection and safety requirements.
6. Completing the applicable industrial licensing and registration procedures.
7. Ensuring that the production capacity and machinery are consistent with the information submitted to the competent authorities.
8. Ensuring the continued validity of the relevant documents, licenses, and regulatory registrations throughout the operation of the establishment.
9. Reviewing any material changes to the activity, production lines, or production capacity before implementing them.
10. Ensuring that operations or expansion of the activity do not commence before all legally required procedures and approvals have been completed.

Conclusion

The **industrial operating license and registration in the Industrial Register** constitute two important elements of the legal framework governing industrial activities in Egypt. However, each serves a distinct legal and regulatory function.

The industrial operating license relates to the legal authorization to conduct the relevant industrial activity under the applicable regulatory regime, whereas registration in the Industrial Register relates to the formal registration of the establishment and the recording of its industrial activity and relevant particulars before the competent authorities.

Determining whether an industrial activity is subject to **prior licensing or the notification system** is also a fundamental consideration before commencing operations, given that violations of the applicable requirements may result in legal liability and penalties, including fines and closure.

Accordingly, industrial compliance should not be viewed as a standalone administrative procedure. Rather, it forms part of an **integrated legal framework** encompassing licensing, registration, technical and environmental requirements, health and occupational safety standards, and civil protection requirements, all of which are essential to ensuring the lawful operation and continuity of the industrial activity and minimizing the legal risks faced by industrial investors.

Sources and Legislation

1. **Law No. 15 of 2017 on Facilitating Procedures for Granting Licenses for Industrial Establishments.**
2. **Executive Regulations of Law No. 15 of 2017** and the relevant regulatory decisions.
3. **Law No. 95 of 2018 concerning the General Authority for Industrial Development.**
4. The environmental, health, occupational safety, and civil protection legislation and regulations applicable to industrial establishments and activities.

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