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Legal Updates

Egypt Reforms Its Maritime Legal Framework: Laws No. 2, 3 and 4 of 2025

Egypt has enacted three new laws amending the legislative framework governing ship safety, maritime trade and the registration of commercial ships. The reforms — Law No. 2 of 2025 (amending Law No. 232 of 1989 on ship safety), Law No. 3 of 2025 (amending the Maritime Trade Law issued by Law No. 8 of 1990) and Law No. 4 of 2025 (amending Law No. 84 of 1949 on the registration of commercial ships) — form part of a broader effort to modernise Egypt's maritime sector and bring it into closer alignment with international practice.

1. Law No. 2 of 2025: Ship Safety

Institutional redesignation. References to the “Minister of Maritime Transport” throughout Law No. 232 of 1989, and in related legislation, are replaced with “the Minister responsible for transport affairs” — a change intended to broaden the scope of ministerial responsibility over the sector.

Flagging of newly built vessels. The design and specifications of newly constructed ships and maritime units must now be approved in advance by the competent authority, and construction must proceed under that authority's supervision or that of a delegate it authorises.

Flagging of foreign-registered vessels. A ship registered abroad may fly the Egyptian flag only if it does not exceed 25 years of age (20 years for passenger vessels), calculated from the construction date recorded on the ship's permanent registration certificate.

Acquisition of foreign vessels. Before a foreign ship is purchased or leased for Egyptian registration, its design documentation must be submitted to the competent authority for technical review, at the cost of the party concerned, to confirm the vessel's suitability for its intended use.

Exemptions. State-owned ships and maritime units used for non-commercial purposes are exempt from the age requirements described above.

2. Law No. 3 of 2025: Maritime Trade

Egyptian nationality of vessels (amended Article 5). A vessel may acquire Egyptian nationality where:

- it is owned by an Egyptian natural or legal person;
- an unequipped foreign vessel is bareboat-chartered to an Egyptian natural or legal person for a term of not less than two years; or
- an unequipped foreign vessel is the subject of a finance lease to an Egyptian natural or legal person, for the duration of that lease.

Where ownership or the lease is held jointly, Egyptian parties must hold the majority share. In the leasing scenarios above, the Egyptian lessee assumes the obligations of the shipowner, without prejudice to the underlying owner's title. Registration of the leased vessel may be suspended for the term of the lease to permit its registration under a foreign flag.

Formalities for dealings in ownership and rights in rem. Any transaction creating, transferring or extinguishing ownership or other rights in rem over a vessel is void unless executed by official (notarised) instrument. Notarisation fees are set at EGP 1 per ton of the vessel's gross registered tonnage, subject to a floor of EGP 1,000 and a cap of 5% of the vessel's gross registered tonnage, payable by non-cash means as prescribed by law.

3. Law No. 4 of 2025: Registration of Commercial Ships

Institutional redesignation. The “Ports and Lighthouses Authority” becomes the “Egyptian Authority for Maritime Safety”; the “Minister of Transport” becomes “the Minister responsible for transport affairs”; and the “General Directorate of Maritime Inspection” at the former authority becomes the “Central Administration for Flag State Control” within the Egyptian Authority for Maritime Safety.

Loss or transfer of ownership (amended Article 14). The owner, outfitter or master must notify the Egyptian Authority for Maritime Safety or the relevant registration office immediately upon the vessel's sinking, destruction by fire, breaking-up, or transfer of ownership to a foreign party. Registration is cancelled in each such case.

New penalties

The law introduces a graduated penalty regime:

Conduct	Penalty
Sailing an unregistered vessel under the Egyptian flag	Minimum three months' imprisonment and/or a fine of EGP 100,000–1,000,000; the vessel may be confiscated
Sailing under a voided certificate	Up to one year's imprisonment and a fine of EGP 50,000–500,000
Concealing, defacing or erasing data required under Article 8 (other than to avoid enemy capture)	Up to one year's imprisonment and a fine of EGP 50,000–500,000
Failing to maintain the data required under Article 8	Fine of EGP 20,000–200,000
Refusing to surrender a registration certificate to its rightful holder	Fine of EGP 50,000–500,000

New Articles 6 bis and 6 bis 1

- **Article 6 bis** requires a lessee of an unequipped foreign vessel (including under a finance lease) who seeks to fly the Egyptian flag for the term of the lease to file an application with the Egyptian Authority for Maritime Safety, together with prescribed information and supporting documents.
- **Article 6 bis 1** requires the owner of an unequipped Egyptian vessel who wishes to lease it for a term of not less than two years — and to suspend its Egyptian flag registration so that it may be registered under a foreign flag — to file a corresponding application with the Egyptian Authority for Maritime Safety.

Outlook

Taken together, the three laws recalibrate institutional oversight of the maritime sector, tighten the conditions under which vessels may obtain or retain Egyptian registration, and introduce a more structured — and materially more punitive — compliance regime. The changes are consistent with Egypt's stated aim of positioning itself as a regional and international maritime hub, and are of direct relevance to shipowners, lessors and financiers structuring vessel ownership, leasing and flagging arrangements involving Egyptian-flagged tonnage.