

Translation of the Commercial Law No. 17 of 1999

ترجمة قانون التجارة
رقم ١٧ لسنة ١٩٩٩

21 December 2025

Law No. 17 of 1999 Concerning the Issuance of the Commercial Law

In the name of the people President of the republic

Preamble

The People's Assembly has enacted the following Law, and we have promulgated it:

Promulgation Articles

Article (1):

The Commercial Law promulgated by Khedivial Decree dated 13 November 1883 shall be repealed, except for Chapter One of Book Two thereof relating to Partnerships, and shall be replaced by the attached Law.

Article (337) of the Penal Code shall also be repealed as of 1 October 2005, and any provision contrary to the provisions of the attached Law shall likewise be repealed.

Article (2):

The competent ministers shall issue the ministerial decrees necessary for the implementation of this Law, each within the scope of his respective competence.

Article (3):

This Law shall be published in the Official Gazette and shall come into force as of 1 October 1999, except for the provisions relating to cheques, which shall come into force as of 1 October 2005.

Cheques issued prior to this date shall remain subject to the legal provisions in force on the date of their issuance, provided that the cheque bears a fixed date or that its date has been established prior to 1 October 2006.



Notwithstanding the foregoing, the provisions of Articles (535) and (536) of the aforementioned Commercial Law shall apply as of the effective date of this Law.

The date of the cheque referred to above may be established, free of charge, at one of the notarization offices of the Real Estate Registration Authority, by recording it in special registers maintained by a bank, or by any other method provided for under Article (15) of the Law of Evidence in Civil and Commercial Matters.

Commercial Law

Part One: Commercial in General: General Provisions

Article (1):

The provisions of this Law shall apply to commercial acts and to every natural or juristic person who is established to have the status of a merchant.

Article (2):

Commercial matters shall be governed by the agreement of the contracting parties. In the absence of such agreement, the provisions of this Law or other laws relating to commercial matters shall apply, followed by the rules of commercial custom and usage. In the absence of any commercial custom or usage, the provisions of the Civil Code shall apply.

Agreements between contracting parties, or rules of commercial custom or usage, may not be applied where they conflict with public order in Egypt.

Article (3):

Where a contract is commercial with respect to one of its parties, the provisions of commercial law shall apply only to the obligations of that party. The obligations of the other party shall be governed by the provisions of civil law, unless otherwise provided by law.



Part One: Commerce in General

Chapter One: Commercial Acts

Article (4):

The following shall be deemed commercial acts:

- The purchase of movable property of any kind for the purpose of resale or lease, whether in its original form or after being transformed into another form, as well as the sale or lease of such movable property.
 - The leasing of movable property for the purpose of subleasing it, as well as the leasing of such movable property.
 - The incorporation of commercial companies.
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Article (5):

The following activities shall be deemed commercial acts if carried out on a professional basis:

- The supply of goods and services.
- Manufacturing and industrial activities.
- Land transport and inland water transport.
- Commercial agency and brokerage, regardless of the nature of the transactions carried out by the broker.
- Insurance operations of all kinds.
- Banking and exchange operations.
- Warehousing of goods, means of transport, agricultural crops, and the like.



- The activities of houses and offices operating in the fields of publishing, printing, photography, typing, and similar activities, as well as translation, broadcasting, television, journalism, news transmission, postal services, telecommunications, and advertising.
 - The commercial exploitation of computer software and satellite broadcasting via artificial satellites.
 - Extractive operations relating to natural resources such as mines, quarries, oil and gas wells, and the like.
 - Poultry and livestock breeding projects and similar activities for the purpose of sale.
 - Contracting works for the construction, restoration, modification, demolition, or painting of buildings, as well as public works contracting.
 - The construction, purchase, or lease of real estate for the purpose of selling or leasing it, whether in whole or in part, as apartments, rooms, or administrative or commercial units, whether furnished or unfurnished.
 - The activities of tourism offices, export and import offices, customs clearance offices, employment offices, and public auction houses.
 - The activities of hotels, restaurants, cafés, theatrical performances, cinema, circuses, and other public entertainment establishments.
 - ('Ayn) The distribution of water, gas, electricity, and other sources of energy.
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Article (6):

Any act relating to commercial navigation, whether maritime or aerial, shall also be deemed a commercial act, in particular the following:

- The construction, repair, and maintenance of ships or aircraft.
 - The purchase, sale, lease, or chartering of ships or aircraft.
 - The purchase of equipment or supplies for provisioning ships or aircraft.
 - Maritime transport and air transport.
 - Loading and unloading operations.
 - The employment of seamen, pilots, or other workers on ships or aircraft.
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Article (7):

Any act that may be analogized to the acts mentioned in the preceding articles due to similarity in characteristics and objectives shall be deemed a commercial act.

Article (8):

Acts carried out by a trader for matters related to his trade shall be deemed commercial acts.

Every act carried out by a trader shall be presumed to be related to his trade unless proven otherwise.

Article (9):

The sale by a farmer of the products of the land he cultivates shall not be deemed a commercial act, whether he owns the land or merely has the right to benefit from it.



Article (10):

A trader shall be:

Any person who professionally engages, in his own name and for his own account, in a commercial act.

Any company that adopts one of the forms stipulated in the laws governing companies, regardless of the purpose for which the company was established.

Article (11):

Any Egyptian or foreign national shall be legally competent to engage in trade if:

- He has reached the age of twenty-one full years, even if the law of the state of his nationality considers him a minor at that age.
- He has reached the age of eighteen, in accordance with the conditions prescribed by the law of the state of his nationality, after obtaining authorization from the competent Egyptian court.

Any person under the age of eighteen may not engage in trade in Egypt, even if the law of the state of his nationality considers him of full capacity at that age or permits him to engage in trade.

A minor authorized to engage in trade shall have full legal capacity to carry out all legal acts required by his trade.



Article (12):

If a minor or an interdicted person has property invested in a commercial business, the court may order the withdrawal of such property from the business or the continuation thereof, in accordance with what best serves his interest.

If the court orders the continuation of the business, it shall grant the legal representative of the minor or the interdicted person an authorization, whether absolute or restricted, to carry out the transactions required by the business.

If serious reasons arise giving rise to fear of mismanagement by the authorized representative continuing the business of the minor or the interdicted person, the court may revoke or restrict the authorization, without prejudice to the rights acquired by third parties acting in good faith.

Any order issued by the court concerning the continuation of the business of the minor or the interdicted person, the revocation or restriction of authorization, or the liquidation of the business shall be recorded in the Commercial Register and published in the Official Gazette of the Register.

Article (13):

If the court orders the continuation of the business of the minor or the interdicted person, liability shall be limited to the extent of the assets invested in that business. Bankruptcy may be declared, provided that such bankruptcy shall not extend to assets not invested in the business. In such case, bankruptcy shall have no effect on the person of the minor or the interdicted person.

Article (14):

The legal capacity of a married woman to engage in trade shall be governed by the law of the state of her nationality.

A foreign married woman who professionally engages in trade shall be presumed to do so with the consent of her husband. If the applicable law permits the husband to object to his wife's engagement in trade or to withdraw a previously granted consent, such objection or withdrawal shall be recorded in the Commercial Register and published in the Official Gazette of the Register, and shall have effect only from the date of completion of such publication.



An objection or withdrawal of consent shall not affect rights acquired by third parties acting in good faith.

Article (15):

A foreign married woman trader shall be presumed to have married under a regime of separation of property, unless the matrimonial property agreement between the spouses provides otherwise.

A matrimonial property agreement between spouses may not be invoked against third parties unless it is made public by registration in the Commercial Register and publication of a summary thereof in the Official Gazette of the Register.

In the event of failure to publicize the matrimonial property agreement, third parties may prove that the marriage was concluded under a financial regime more favorable to their interests than the regime of separation of property.

A judgment rendered outside Egypt providing for the separation of property between spouses may not be invoked against third parties except from the date of its registration in the Commercial Register and publication of a summary thereof in the Official Gazette of the Register.

Article (16):

The provisions of commercial law shall not apply to small craftsmen.

A small craftsman is any person who engages in a craft requiring minimal expenses in order to obtain income sufficient to secure his daily livelihood.

Article (17):

If any person prohibited from engaging in trade under laws, regulations, or special rules engages in trade, he shall be deemed a trader and the provisions of commercial law shall apply to him.



Article (18):

The status of trader shall be established for any person who professionally engages in trade under an assumed name or by concealing himself behind another person, in addition to being established for the apparent person.

Article (19):

The status of trader shall be presumed for any person who assumes such status by announcing it through newspapers, publications, radio, television, or any other means. This presumption may be rebutted by proving that the person who assumed such status did not actually engage in trade.

Article (20):

The status of trader shall not be established for the State or other public legal persons. Nevertheless, the provisions of this Law shall apply to the commercial activities they undertake, except where expressly excluded by a special provision.

Part One: Commerce in General

Chapter Three: Commercial Books and Records

Article (21):

Every trader whose capital invested in trade exceeds twenty thousand pounds shall keep the accounting books required by the nature and importance of his business, in particular the daily journal and inventory book, in a manner that clearly shows his financial position, his rights, and his commercial liabilities.



Article (22):

All commercial transactions carried out by the trader, as well as his personal withdrawals, shall be recorded in the daily journal on a day-by-day basis in detail. Personal withdrawals may, however, be recorded in aggregate on a monthly basis.

The trader may use subsidiary journals to record details of various types of commercial transactions. In such case, it shall suffice to record a summarized entry of these transactions in the daily journal at regular intervals. If this procedure is not followed, each subsidiary journal shall be deemed a principal book.

Article (23):

The inventory book shall record detailed particulars of the goods in the trader's possession at the end of his financial year, or a summarized statement thereof if the details are contained in separate books or lists. In such case, those books or lists shall be considered an integral supplement to the principal inventory book.

A copy of the annual balance sheet and the profit and loss account shall be recorded in the inventory book.

Article (24):

The trader shall retain copies of correspondence, telegrams, and other documents that he sends or receives in matters relating to his trade. Such records shall be kept in an orderly manner that facilitates review.

Article (25):

Commercial books shall be free from any blanks, erasures, deletions, alterations, or writings in the margins or between the lines.



Prior to the use of the Journal and Inventory Books, their pages shall be numbered and each page shall be signed by the Commercial Registry Office and stamped with its official seal, indicating the total number of pages of the book.

At the end of each financial year, the trader shall submit the Journal and Inventory Books to the Commercial Registry Office for certification of the number of pages used during the year. Upon exhaustion of the pages of a book, the trader shall submit it to the Commercial Registry Office to endorse that its pages have been completed.

In the event of cessation of the commercial activity, the trader or his heirs shall submit the Journal and Inventory Books to the Commercial Registry Office for endorsement confirming their closure.

By a decision of the competent Minister, special rules may be established for regulating the commercial books used by banks or companies designated by such decision.

Article (26):

The trader or his heirs shall retain the commercial books and supporting documents for the entries recorded therein for a period of five years, commencing from the date of endorsement indicating the completion or closure of the book.

They shall also retain copies of correspondence, telegrams, and similar documents for a period of five years from the date of sending or receipt thereof. They may, for the same period, retain microfilm copies instead of the originals. Such copies shall have the same evidentiary value as the originals, provided that the rules and standards for their preparation, preservation, and retrieval, as issued by a decision of the Minister of Justice, are complied with.

Article (27):

Entries recorded in the commercial books by the trader's authorized employees shall be deemed equivalent to those recorded by the trader himself and shall be presumed to have been made with his knowledge, unless evidence to the contrary is established.



Article (28):

The court may, upon the request of a litigant or on its own initiative, order the trader to submit his commercial books for the purpose of extracting matters relevant to the dispute before it. The court may examine the books itself or through an expert appointed for that purpose.

The court may not order the trader to allow his opponent to inspect his commercial books except in disputes relating to estates, jointly owned property, or companies.

In cases of bankruptcy or preventive composition, the commercial books shall be delivered to the court, the bankruptcy trustee, or the composition supervisor.

If the trader, without an acceptable excuse, refuses to submit his commercial books for inspection, the court may consider such refusal as presumptive evidence of the validity of the facts sought to be proven by the books.

Article (29):

Any violation of the provisions set forth in this Chapter or of the decisions issued in implementation thereof shall be punishable by a fine of not less than one hundred pounds and not more than one thousand pounds.



Part One: Commerce in General

Chapter Four: The Commercial Register

Article (30):

A commercial register shall be established at the competent administrative authority, in which the names of traders, whether individuals or companies, shall be recorded.

The laws and decisions governing the determination of persons subject to the obligation of registration in the commercial register, the registration deadlines, the data required to be registered, the deletion of registration, and the penalties prescribed for violating these provisions shall apply.

Article (31):

Every person registered in the commercial register shall indicate, on the façade of his place of business and on all correspondence and printed materials relating to his trade, his trade name, the Commercial Registry Office in which he is registered, and his registration number.

Article (32):

Any person may obtain from the Commercial Registry Office an official extract from the registration page. In the absence of registration, the office shall issue a negative certificate.

The extract from the registration page shall not include:

- Judgments declaring bankruptcy where rehabilitation has been granted.
 - Judgments imposing legal interdiction where such interdiction has been lifted.
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Article (33):

The data recorded in the commercial register shall be binding upon third parties as from the date of their registration, unless the law provides otherwise.

No data required to be registered in the commercial register may be invoked against third parties unless such data has been registered, except where it is proven that the third party had knowledge of its content.

A trader may not invoke his failure to register in the commercial register in order to evade the obligations imposed upon him by law or those arising from his transactions with third parties in his capacity as a trader.

Part One: Commerce in General**Chapter Five: The Commercial Establishment**

Article (34):

A commercial establishment is a collection of movable assets allocated for the conduct of a specific commercial activity and must include the element of customer connection and commercial goodwill.

A commercial establishment may include other intangible elements such as the trade name, commercial reputation, trademarks, patents, industrial designs and models, leasehold rights, literary and artistic property rights, know-how, exploitation licenses, and industrial licenses.

A commercial establishment may also include goods, furniture, machinery, equipment, tools, and other items necessary for the operation of the commercial premises.



Article (35):

If the contracting parties do not specify the elements comprising the commercial establishment that is the subject of the contract, the establishment shall be deemed to include— in addition to customer connection and commercial goodwill—every tangible or intangible element necessary for the operation of the establishment in the manner intended by the contracting parties.

Article (36):

Where the trader owns the real property in which the commercial activity is conducted, such property shall not constitute an element of his commercial establishment.

Article (37):

Any disposition whose subject is the transfer of ownership of a commercial establishment, the creation of a real right therein, or the lease of its exploitation shall be made in writing; otherwise, it shall be null and void.

The disposition of the commercial establishment and the contract for leasing its exploitation shall be recorded in a special register regulated by a decision of the competent Minister and maintained at the Commercial Registry Office.

The disposition of the commercial establishment and the lease of its exploitation shall be made public through registration in the commercial register. Such publication shall include the following particulars:

- The names, addresses, and nationalities of the contracting parties;
- The date and type of the contract;
- The activity of the commercial establishment, its address, and the elements agreed to be included in the contract;
- The price and the amount paid upon sale, or the agreed rental value, and the method of payment of the remaining price or rent;



- Agreements relating to contracts and undertakings connected with the commercial establishment;
 - Agreements concerning the seller's retention of the right of rescission or the right of privilege.
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Article (38):

Ownership of the commercial establishment shall not pass between the contracting parties or vis-à-vis third parties except from the date of registration of the disposition in the special register and publication of its summary in the Commercial Registry Gazette.

If the commercial establishment includes elements subject to a special system of publication or registration, the publication of the disposition of the establishment in the Commercial Registry Gazette shall not replace such special publication or registration unless the law provides otherwise.

Article (39):

The person to whom ownership of the commercial establishment is transferred shall not replace the transferor in the rights and obligations arising from contracts connected with the establishment unless otherwise agreed.

Article (40):

The transferor's estate shall remain liable for debts connected with the commercial establishment that arose prior to the publication of the disposition, unless the creditors discharge him therefrom.



Article (41):

By way of exception to the provisions set forth in the Bankruptcy Chapter, a seller of a commercial establishment who has not received the full purchase price may assert against the body of creditors in the purchaser's bankruptcy his right of rescission and recovery of the establishment, or his right of privilege, provided that he has reserved such right in the contract of sale and expressly stated it in the published summary. Rescission or privilege shall apply only to the elements included therein.

Article (42):

A person who disposes of a commercial establishment by transferring its ownership or leasing its exploitation may not engage in an activity similar to that of the establishment in a manner that causes harm to the transferee or lessee, unless otherwise agreed.

This prohibition shall apply for a period of ten years from the date of publication of the disposition, unless a shorter period is agreed upon.

Article (43):

Subject to the provisions of this Chapter, the laws and decisions governing the sale, mortgage, and lease of exploitation of commercial establishments shall apply.

The laws and decisions governing trade names, commercial indications, trademarks, industrial designs and models, patents, and other elements of industrial or literary property shall likewise apply.



Part One: Commerce in General

Chapter Six: The Securities Market (Stock Exchange)

Article (44):

The Securities Market shall be deemed a juridical person.

Subject to the provisions of this Chapter, the laws and decisions regulating the establishment of the Market and its internal regulations shall apply.

Article (45):

Trading on the Securities Market in respect of securities listed in its official price schedules shall only be conducted through a broker authorized to operate therein; otherwise, the transaction shall be null and void.

A broker may not carry out transactions on the Market for the account of his clients unless he is expressly authorized to do so by the client under a specific written power of attorney. If the broker carries out the transaction without such authorization, the client may either ratify or reject it.

Article (46):

Deferred transactions shall be valid even if the contracting parties intend them merely to result in an obligation to pay price differences, provided that the transaction is concluded on the Securities Market and relates to securities listed in its official price schedules. The regulation of such transactions shall be governed by a decision of the competent Minister.



Part Two: Commercial Obligations and Contracts – General Provisions

Article (47):

Persons jointly bound by a commercial debt shall be jointly and severally liable therefor, unless otherwise provided by law or agreement.

This rule shall also apply in the case of multiple guarantors of a commercial debt.

Article (48):

A guarantee of a commercial debt shall not be deemed a commercial act unless so provided by law, or where the guarantor is a bank, or where the guarantor is a trader having an interest in the guaranteed debt.

In a commercial guarantee, the guarantor—even if not jointly and severally liable—may not require prior recourse against the principal debtor unless otherwise agreed.

Article (49):

Where a trader performs acts or renders services on behalf of another that fall within the scope of his commercial activity, it shall be presumed that such acts or services are rendered for consideration, unless proven otherwise. The consideration shall be determined according to custom, and in the absence of custom, it shall be assessed by the court.

Article (50):

Loans contracted by a trader for purposes related to his commercial business shall be deemed commercial.

Where the trader's profession requires him to advance sums or incur expenses on behalf of his clients, he may claim interest thereon from the date of disbursement, unless otherwise agreed.



Interest shall be calculated in accordance with the rate applied by the Central Bank, unless a lower rate is agreed.

Interest shall be payable at the end of each year if the debt is deferred for more than one year, and on the maturity date if the term is one year or less, unless otherwise agreed or established by custom.

Article (51):

Applications and authorizations issued by a trader in matters relating to his commercial activity shall not lapse upon his death. However, his heirs may revoke them if they decide not to continue the business, and in such case no compensation shall be due from them, provided that they notify the contracting party with the deceased of their intention to revoke within a reasonable time.

Article (52):

A trader may not, on the grounds of exploitation or gross disparity, seek the annulment of contracts concluded in matters relating to his commercial business or the reduction of the obligations arising therefrom.

Article (53):

Where the subject matter of a commercial obligation is the delivery of a thing during a specific season or period of the year, reference shall be made to the prevailing custom at the place of delivery to determine the time at which delivery must take place. In the absence of such custom, delivery shall be made at a reasonable time before the end of the season or period.

The prevailing custom at the place of delivery concerning the method of measuring, weighing, counting, or gauging goods shall supplement the contract, unless otherwise agreed.



Article (54):

Where the subject matter of a commercial obligation is the performance of an act, the debtor shall exercise the care of an ordinary trader.

Article (55):

If a specific time limit is fixed for commencing performance and such time elapses without the debtor beginning performance, he may not thereafter compel the creditor to accept such performance.

Article (56):

Where one of the contracting parties reserves the right to rescind the contract within a specified period, his performance of the obligations imposed upon him by the contract during such period, or his acceptance of performance by the other contracting party, shall result in the forfeiture of his right of rescission.

Article (57):

Claims for the performance of commercial obligations may only be made during business hours as determined by law, regulations, or prevailing custom.

Article (58):

In commercial matters, a debtor shall be put in default or notified by means of a formal notice or a registered letter with acknowledgment of receipt. In urgent cases, default or notification may be effected by telegram, telex, fax, or other rapid means of communication.



Article (59):

In commercial matters, the court may not grant the debtor a grace period for performance or allow payment by installments except where necessary and provided that no serious harm is caused to the creditor.

Article (60):

A creditor may not be compelled to accept agreed liquidated damages in lieu of performance unless otherwise agreed.

Article (61):

Payment of a commercial debt to a person in possession of the debt instrument endorsed as discharged, or to a holder of a receipt issued by the creditor or his representative, shall discharge the debtor's liability unless the creditor proves that the debtor failed to exercise due diligence in verifying the validity of the payment.

Possession of the debt instrument by the debtor shall constitute a presumption of discharge of the debt unless proven otherwise.

Article (62):

In commercial matters, the creditor may request payment of the debt by cheque if the amount of the debt exceeds one hundred thousand pounds.

Article (63):

Where a debt is deferred and the debtor is authorized to discharge it prior to the maturity date, the debtor may not, in exercising this right, deduct any portion of the debt without the creditor's consent, unless otherwise provided by law or established custom.



Where the debtor is not authorized to discharge the debt prior to its maturity, the debtor may nevertheless compel the creditor to accept such discharge if the debtor pays the interest due on the debt up to the maturity date, or releases the creditor from refunding such interest if it has been paid in advance, unless otherwise agreed, required by custom, or provided by law.

Article (64):

Interest for delay in the payment of commercial debts shall accrue automatically upon their maturity, unless otherwise provided by law or agreed by the parties. In no event shall the total interest received by the creditor exceed the principal amount of the debt upon which the interest is calculated, unless otherwise provided by law or established by custom.

Article (65):

Any instrument providing for the payment of a sum of money or the delivery of goods may be negotiable by endorsement if made payable to the order of the creditor, or by delivery if made payable to bearer.

Endorsement transferring ownership or delivery shall result in the transfer of all rights arising from the instrument to its new holder.

In the case of an endorsement transferring ownership, the endorser guarantees payment of the right evidenced by the instrument at maturity, unless it is agreed that the guarantee shall be limited to the existence of the right at the time of endorsement.

If the instrument is issued in connection with a commercial transaction, the signatories thereto shall be jointly and severally liable, unless otherwise provided by law or agreed by the parties.

The debtor may not invoke against the holder of the instrument defenses based on personal relationships with the issuer of the instrument or with previous holders, unless the holder acquired the instrument with the intent to harm the debtor, or the defense relates to the debtor's lack of legal capacity.

The debtor may refuse payment of the instrument unless it is returned to him endorsed as settled.



The rules governing the loss of commercial papers shall apply to the loss of the instruments referred to in this Article, unless otherwise provided by law.

Article (66):

Any act contrary to honest practices and established principles in commercial dealings shall constitute unfair competition. This includes, in particular, infringement of another's trademarks, trade name, patents, or industrial secrets in which that person has the right of exploitation; inducing employees of a business to disclose its secrets or to leave its employment; and any act or allegation likely to cause confusion regarding a business, its products, or to undermine confidence in its owner, management, or products.

Any act of unfair competition shall render its perpetrator liable to compensate for the damage resulting therefrom. The court may, in addition to awarding damages, order the removal of the damage and the publication of a summary of the judgment at the expense of the party against whom judgment is rendered in a daily newspaper.

Article (67):

The producer of a product and its distributor shall be liable to any person who suffers bodily or material damage caused by the product, if such person proves that the damage resulted from a defect in the product.

A product shall be deemed defective, in particular, if due care was not exercised in its design, manufacture, assembly, preparation for consumption, storage, packaging, method of display, or method of use, so as to prevent the occurrence of damage or to warn against the possibility thereof.

For the purposes of this Article:

- The term "producer" means the manufacturer of the product who prepared it in its final form as offered for circulation, whether all of its component parts were manufactured by him or he relied on parts manufactured by others. The term does not include the producer's employees or agents.



- The term “distributor” means the importer of the product for commercial purposes and the wholesaler who distributes it in the domestic market to retailers, even if he simultaneously engages in retail sales. The term also includes the retailer if he knew, or ought to have known at the time of sale, of the defect in the product, as determined by the conduct expected of an ordinary trader dealing in the same type of product under similar circumstances.
- The claimant may bring an action for liability against the producer, the distributor, or both, without joint and several liability between them. If the principal place of business of the producer or distributor is located outside Egypt, proceedings may be brought before the Egyptian court within whose jurisdiction the producer or distributor has a branch, factory, agency, or office.
- An action for liability shall be time-barred after three years from the date on which the injured party became aware of the damage and the person responsible therefor, and shall lapse absolutely upon the expiration of fifteen years from the date of the wrongful act.
- Any condition or statement purporting to exempt the producer or distributor from liability, to limit such liability, or to reduce the limitation period shall be null and void.

Article (68):

Actions arising out of obligations between traders in relation to their commercial transactions shall be time-barred after seven years from the date the obligation becomes due, unless otherwise provided by law. Final judgments rendered in such actions shall lapse after ten years.

Article (69):

Commercial obligations, regardless of their value, may be proven by all methods of proof, unless otherwise provided by law.



Except in cases where the law requires proof in writing in commercial matters, it shall be permissible in such matters to prove the contrary of what is contained in a written instrument or to prove matters exceeding its contents by all methods of proof.

Private instruments in commercial matters shall be enforceable against third parties as to their date even if such date is not officially established, unless the law requires a fixed date. The stated date shall be presumed correct until proven otherwise.

Article (70):

Commercial books may be admitted as evidence in actions brought by traders or against them, provided that such actions relate to their commercial activities, in accordance with the following rules:

- Entries contained in the books shall constitute evidence against their owner. However, a party seeking to rely on books kept in accordance with the law as evidence in his own favor may not divide the entries contained therein.
- Entries contained in books kept in accordance with the law shall constitute evidence in favor of their owner against his trader opponent, unless the opponent rebuts them with entries from his own books kept in accordance with the law or establishes their inaccuracy by any other means of proof.
- If the books of both parties are kept in accordance with the law and their comparison reveals conflicting entries, the court shall require other evidence.
- If the entries in the books of the two parties differ, and the books of one party are kept in accordance with the law while those of the other are not, precedence shall be given to the entries in the books kept in accordance with the law, unless the opposing party proves otherwise. The same rule shall apply if one party produces books kept in accordance with the law and the other produces none.



Article (71):

In commercial matters, the parties may agree to arbitration either before or after a dispute arises, subject to the provisions stipulated in special laws.

Part Two: Commercial Obligations and Contracts

Chapter One: Transfer of Technology

Article (72):

The provisions of this Chapter shall apply to every technology transfer contract for use within the Arab Republic of Egypt, whether such transfer is international and takes place across Egypt's territorial borders or is domestic. In both cases, the nationality or place of residence of the contracting parties shall be irrelevant.

The provisions of this Chapter shall also apply to any technology transfer agreement concluded as an independent contract or incorporated within another contract.

Article (73):

A technology transfer contract is an agreement under which the "technology supplier" undertakes, for consideration, to transfer technical information to the "technology importer" for use in a specific technical method for the production or development of a particular product, or for the installation or operation of machinery or equipment, or for the provision of services. Mere sale, purchase, lease, or hire of goods shall not constitute a transfer of technology, nor shall the sale of trademarks or trade names or the licensing of their use, unless such matters form part of, or are connected with, a technology transfer contract.



Article (74):

A technology transfer contract must be in writing, failing which it shall be null and void.

The contract must specify the elements of the know-how and its appurtenances to be transferred to the technology importer. Such specification may be set out together with feasibility studies, instructions, designs, engineering drawings, maps, photographs, computer programs, and other documents clarifying the know-how, in annexes attached to the contract and forming an integral part thereof.

Article (75):

Any provision contained in a technology transfer contract that restricts the freedom of the importer to use, develop, define, or advertise the production may be annulled. This applies in particular to provisions that require the importer to do any of the following:

- Accept improvements introduced by the supplier to the technology and pay their consideration.
- Prohibit the introduction of improvements or modifications to the technology to adapt it to local conditions or to the conditions of the importer's establishment, or prohibit the acquisition of other technology similar to or competing with the technology that is the subject of the contract.
- Use specific trademarks to distinguish the goods produced using the technology.
- Restrict the volume of production, its price, or the manner of its distribution or export.
- Allow the supplier to participate in the management of the importer's establishment or to intervene in the selection of its permanent employees.
- Purchase raw materials, equipment, machinery, devices, or spare parts required for operating the technology exclusively from the supplier or from establishments designated by the supplier.
- Limit the sale of the production or the agency for its sale to the supplier or to persons designated by him.



- All of the foregoing shall apply unless any such provisions are included in the technology transfer contract for the purpose of protecting consumers of the product or safeguarding a serious and legitimate interest of the technology supplier.
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Article (76):

The technology supplier shall be obligated to disclose to the importer, in the contract or during the negotiations preceding its conclusion, the following:

- The risks that may arise from the use of the technology, in particular those relating to the environment, public health, safety of persons, or property, and shall inform the importer of the preventive measures known to him to avert such risks.
 - Judicial actions and other obstacles that may hinder the exercise of rights related to the technology, especially those relating to patents.
 - The provisions of local law governing authorization for the export of technology.
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Article (77):

The supplier shall be obligated to provide the importer with the information, data, and other technical documents necessary for the comprehension of the technology, as well as such technical services as the importer may request for the operation of the technology, in particular expertise and training.

The supplier shall also be obligated to inform the importer of any improvements he introduces to the technology during the term of the contract and to transfer such improvements to the importer upon request.



Article (78):

Throughout the term of the contract, the supplier shall be obligated, upon the importer's request, to provide the spare parts produced by the supplier that are required for the machinery or equipment used in operating the importer's establishment. If the supplier does not manufacture such parts in his own facilities, he shall inform the importer of the sources from which they may be obtained.

Article (79):

The importer shall be obligated to employ personnel possessing an adequate level of technical expertise to operate the technology and to engage technical experts whenever necessary, provided that the selection of such personnel or experts shall be from among Egyptians residing in Egypt or abroad whenever available.

Article (80):

The importer shall be obligated to inform the supplier of the provisions of national legislation relating to the importation of technology.

Article (81):

The importer may not assign or transfer the technology acquired to any third party without the consent of the technology supplier.

Article (82):

The importer shall be obligated to pay the consideration for the technology and for any improvements introduced thereto at the time and place agreed upon.

The consideration may be a lump sum payable in a single installment or in several installments, and may also take the form of a share in the capital invested in the operation of the technology or a share in the proceeds derived from such operation.



The consideration may also consist of a specified quantity of the goods produced using the technology or of a raw material produced by the importer and undertaken to be exported to the supplier.

Article (83):

The importer shall be obligated to maintain the confidentiality of the technology acquired and of any improvements introduced thereto, and shall be liable to compensate for any damage arising from the disclosure of such confidentiality, whether such disclosure occurs during the negotiation phase preceding the conclusion of the contract or thereafter.

The supplier shall likewise be obligated to maintain the confidentiality of the improvements introduced by the importer and transferred to him pursuant to a contractual provision, and shall be liable to compensate for any damage arising from the disclosure of such confidentiality.

Article (84):

It may be agreed that the technology importer shall have the exclusive right to use the technology and to trade in the resulting production, provided that such right is limited to a specified geographical area and for a specified duration agreed upon by the parties.

Article (85):

The supplier shall warrant that the technology and the documents attached thereto conform to the conditions stipulated in the contract, and shall also warrant the production of the goods or the provision of the services agreed upon in accordance with the specifications set out in the contract, unless otherwise agreed in writing.

The supplier and the importer shall each be liable, without joint and several liability between them, for any damage to persons or property arising from the use of the technology or from the product resulting from its application.



Article (86):

Either party to a technology transfer contract may, after the lapse of five years from the date of the contract, request its termination or the reconsideration and amendment of its terms so as to adapt them to the prevailing general economic conditions. Such request may be repeated upon the lapse of each subsequent five-year period, unless a different period is agreed upon.

Article (87):

The Egyptian courts shall have jurisdiction to adjudicate disputes arising from the technology transfer contract referred to in Article (72) of this Law. The parties may agree to settle the dispute amicably or by arbitration conducted in Egypt in accordance with the provisions of Egyptian law.

In all cases, the merits of the dispute shall be governed by the provisions of Egyptian law, and any agreement to the contrary shall be null and void.

Part Two: Commercial Obligations and Contracts**Chapter Two: Commercial Sale:****Section One: General Provisions**

Article (88):

The provisions set forth in this Section shall apply only to contracts for the sale of goods concluded between merchants with respect to matters relating to commerce, unless the law provides otherwise. Such provisions shall further apply only where the consideration for the goods sold is paid in cash, or partly in cash and partly in kind, provided that the value of the in-kind portion is less than the cash portion.

International commercial sales shall be governed by the provisions of the international conventions in force in Egypt relating to such sales, as well as the usages prevailing in international trade and the interpretations prepared by international organizations of the terms used in such trade, where the contract refers thereto.



Article (89):

Where the contracting parties have not determined the price, the sale shall be concluded at the price customarily applied in their dealings with one another; failing any prior dealings, the prevailing market price shall apply.

Where it is agreed that the sale shall be at the market price, or where such price must be adopted pursuant to the preceding paragraph, the relevant price shall be the average market price at the time and place at which the contract was concluded, unless the agreement, trade usage, or surrounding circumstances require the adoption of another price. Where there are multiple market prices, the median price shall apply.

Article (90):

A third party may be authorized to determine the price of the goods sold. If such party fails to determine the price within the period specified, or within a reasonable period where no period is specified, the prevailing market price at the time and place of conclusion of the contract shall apply, unless the circumstances or trade usage indicate that another price should be adopted.

Article (91):

Where the price is determined on the basis of weight, the net weight shall be taken into consideration, unless otherwise agreed or required by trade usage.

Article (92):

Where it is agreed that the buyer shall determine the form, size, or other distinguishing characteristics of the goods sold, the buyer must make such determination within the agreed period, or within a reasonable period where no period is agreed; failing which, the seller may request rescission and compensation.



After the expiry of the period referred to in the preceding paragraph, the seller may determine the characteristics of the goods in accordance with the buyer's needs of which the seller may reasonably be aware. Such determination shall be final unless the buyer objects thereto within fifteen days from the date of being notified thereof.

Article (93):

Where no time for delivery is specified, delivery shall be made immediately upon conclusion of the contract, unless the nature of the goods or trade usage requires the fixing of another time.

Where it is agreed that the buyer shall determine the time of delivery, the seller shall be bound to deliver at the time determined by the buyer, taking into account the period required by the nature of the goods to prepare them for delivery.

Article (94):

Where the seller, at the buyer's request, dispatches the goods to a place other than the place designated for delivery, the risk of loss shall pass to the buyer from the time the goods are delivered to the carrier, unless otherwise agreed or provided by law.

Expenses incurred as a result of delivering the goods to a place other than the place designated for performance of the sale shall be borne by the buyer, unless otherwise agreed or provided by law.

Where the seller, without compelling necessity, violates the buyer's instructions concerning transport, the seller shall be liable for any damage sustained by the goods as a result of such violation.

Article (95):

In effecting delivery of the goods, no account shall be taken of any shortage or damage that trade usage tolerates.



Article (96):

Where the seller fails to deliver the goods within the time specified in the contract, the buyer may notify the seller to perform within a reasonable period fixed by the buyer. If the seller fails to deliver within such period, the buyer may procure goods similar to those sold at the seller's expense and claim from the seller the difference between the agreed price and the price paid in good faith to obtain such goods. Where the goods have a known market price, the buyer may, even if no substitute purchase is actually made, claim the difference between the agreed price and the market price on the date fixed for delivery. Alternatively, the buyer may notify the seller that failure to deliver within the period specified in the notice shall result in the contract being deemed rescinded; in such case, the buyer may claim compensation where appropriate.

Article (97):

Where it is agreed that the goods shall be delivered in installments, the buyer may request rescission if the seller fails to deliver any installment within the agreed time. Such rescission shall not extend to installments already delivered unless the divisibility of the goods results in serious prejudice to the buyer.

Article (98):

Where the price is not paid within the agreed time, the seller may, after giving formal notice to the buyer, resell the goods to a third party. If the resale is made in good faith at a price lower than the agreed price, the seller shall be entitled to claim from the buyer the difference. Where the goods have a known market price, the seller may, even if no resale is actually effected, claim from the buyer the difference between the agreed price and the market price of the goods on the date fixed for payment of the price.



Article (99):

A buyer who has paid the price in full may request the seller to provide a statement of the goods indicating that the price has been paid.

Where the buyer expressly or implicitly accepts the statement of goods received from the seller, the buyer may not thereafter object to the particulars contained therein. Failure by the buyer to object to the statement within ten days from the date of receipt shall constitute implicit acceptance.

Article (100):

Where the buyer refuses to take delivery of the goods, the seller may, after establishing the condition of the goods, apply by petition to the competent judge for authorization to sell the goods after the lapse of a period determined by the judge and notified to the buyer. The judge shall also determine the manner of sale, and may order the immediate sale of goods liable to rapid deterioration without fixing a period or requiring notification.

Where the buyer has paid the price in full, the seller shall deposit the proceeds of the sale with the court treasury until the dispute between the seller and the buyer is settled.

Article (101):

If, after the delivery of the goods, it is found that their quantity or type is less than agreed, or that they are defective or do not conform to the terms or sample under which the contract was concluded, the buyer may not seek rescission of the sale unless the deficiency, defect, or non-conformity renders the goods unsuitable for the purpose for which they were intended by the buyer or difficult to sell, unless an agreement or trade custom requires rescission. In cases where rescission is refused, the buyer may seek a reduction in the price, without prejudice to their right to claim compensation.

The buyer must notify the seller of the deficiency, defect, or non-conformity within fifteen days of actual delivery of the goods, and must file a claim for rescission or price reduction within sixty days from the date of delivery.



If the buyer fails to provide notice or file a claim within the period specified in the previous paragraph, their right to do so shall be forfeited, unless fraud by the seller is proven.

In all cases, claims shall expire six months after the actual delivery of the goods.

The parties may agree to modify the deadlines specified in this article or exempt the buyer from complying with them.

Article (102):

If, after delivery of the goods to the buyer, their quantity exceeds the agreed amount, the seller shall not be entitled to reclaim the excess unless the buyer refuses to pay for the excess within fifteen days of being notified of its existence.

The seller's claim for the return of the excess shall not be accepted after sixty days from the actual delivery of the goods to the buyer.

The parties may agree to modify the deadlines specified in this article or exempt the seller from complying with them.

Article (103):

The parties may agree to obligate the buyer not to reduce the price below a certain amount when reselling the goods if they are products protected by a registered trademark distinguishing them. The court may declare this provision void if the goods are essential consumer goods.

The buyer's successors shall not be bound by the provision referred to in the preceding paragraph unless they were aware of it or could have reasonably known about it.



Part Two: Commercial Obligations and Contracts

Chapter Two: Commercial Sale

Section Two: Specific Provisions Regarding Certain Types of Commercial Sales

Article (104):

The provisions of this Section shall apply if the sales contract is commercial in nature for either party or for one of them only.

Part Two: Commercial Obligations and Contracts

Chapter Two: Commercial Sale

Section Two: Special Provisions for Certain Types of Commercial Sales

1. Installment Sale

Article (105):

If the buyer fails to pay an installment of the agreed price, the sale may not be rescinded if it is proven that the buyer has performed seventy-five percent of their obligations.

In the event of a ruling for rescission of the sale, the seller must return the installments already paid, after deducting an amount equivalent to the rent for the use of the goods, along with compensation for any damage caused by unusual use. Any agreement imposing more stringent obligations on the buyer shall be deemed invalid.

An agreement to demand the full price immediately upon the failure to pay an installment by its due date shall only be valid if the buyer has failed to pay at least two consecutive installments.



Article (106):

If the seller retains ownership of the goods until full payment of the installments, the buyer shall acquire ownership upon paying the final installment. The buyer shall bear the risk of loss of the goods from the time of delivery.

Notwithstanding the provisions related to bankruptcy, the retention of ownership condition shall not be enforceable against third parties unless it is documented in a dated document prior to the third party's rights or enforcement actions by creditors against the goods.

Article (107):

The buyer may not dispose of the goods before paying all installments without written permission from the seller. Any disposition made in violation of this provision shall not be enforceable against the seller if the transferee was aware at the time of the transaction that the price had not been fully paid.

The seller may, upon the buyer's disposition of the goods before paying all installments and without the seller's permission, demand the immediate payment of all remaining installments.

The buyer shall be penalized for violating the provisions of the first paragraph by imprisonment for a period not exceeding six months, or a fine not exceeding 500 Egyptian pounds, or either of these penalties. The provisions of Article 18 bis (A) of the Code of Criminal Procedure shall apply to this crime. The Public Prosecution may order the suspension of the sentence if a settlement is reached during its execution, even after the judgment becomes final.



Part Two: Commercial Obligations and Contracts

Chapter Two: Commercial Sale

Section Two: Specific Provisions Regarding Certain Types of Commercial Sales

2. Sale by Liquidation or Public Auction

Article (108):

A trader must announce the price of the goods offered for sale in a liquidation, along with the actual price at which those goods were sold during the month preceding the liquidation.

Any procedure intended to announce the sale of goods at discounted prices shall be considered a seasonal liquidation.

Article (109):

A trader may not sell unused goods through public auction for any of the following reasons, provided the reason is announced before the auction:

- Final liquidation of the business.
 - Liquidation of a branch of the business.
 - Liquidation of a category of goods the business deals in.
 - Liquidation of goods damaged by fire, water leakage, or other causes.
 - Seasonal liquidation, to be completed within two weeks at most.
-



Article (110):

Used goods may not be sold by public auction except through an appraiser registered in the relevant registry.

Public auction refers to any voluntary sale that is open to all persons, even if a fee is required for attendance or if attendance is limited to a specific group of people.

Article (111):

The buyer to whom the auction is awarded must pay half the price at the auction session and pay the remaining amount upon delivery of the goods. Delivery must occur within three days from the date of the auction's conclusion, unless the terms of the sale specify otherwise.

If the buyer fails to pay the remaining price or fails to appear to receive the goods within the time specified in the preceding paragraph, the goods must be resold at the buyer's expense through another public auction, and the buyer may not participate in that auction.

If the second auction results in a lower price than the first auction, the defaulting buyer shall be liable for the difference. If the second auction results in a higher price, the increase shall belong to the seller.

Article (112):

The appraiser may only refuse to award the auction in the following two cases:

- If the auction is limited to only one person.
 - If the auction price does not meet the reserve price.
-

Article (113):

Neither the seller nor the appraiser may participate, directly or indirectly, in the auction of goods offered for sale.



Article (114):

The appraiser has a right of lien for the fee or commission owed to them based on the price of the goods they sell through public auction.

Part Two: Commercial Obligations and Contracts

Chapter Two: Commercial Sale

Section Two: Specific Provisions Regarding Certain Types of Commercial Sales

3. Supply Contract

Article (115):

If a minimum and maximum quantity for supply are agreed, the buyer may specify the quantity they require, provided it falls within the agreed limits and the supplier is notified in a timely manner. If only the minimum quantity is agreed, the buyer may specify the quantity required, provided it is no less than the minimum agreed, and the supplier is notified in a timely manner.

Article (116):

If a delivery deadline is agreed, it is presumed to be for the benefit of both parties and may not be modified without their mutual consent.

If it is agreed that the buyer shall determine the delivery deadline, the buyer must notify the supplier in a timely manner of the deadline they set.

If no delivery deadline is agreed, either party may terminate the contract at any time, provided they notify the other party within a reasonable period.



Article (117):

If either party fails to perform its obligations regarding a periodic supply, the other party may not terminate the contract unless the failure to perform results in substantial harm or undermines the trust in the ability of the defaulting party to continue supplying the goods regularly.

Article (118):

No agreement may be made preventing the buyer from contracting with a third party to purchase goods or obtain services similar to those under the supply contract, except for a period not exceeding five years from the date of the contract, regardless of the benefits granted by the supplier to the buyer. Any agreement extending this period shall be reduced to five years, and the period may only be renewed after it ends, with explicit mutual agreement.

Book Two: Commercial Obligations and Contracts

Chapter Three: Commercial Pledge

Article (119):

Subject to the provisions regulating specific types of commercial pledges, the provisions of this Chapter shall apply to any pledge established on movable property as security for a debt considered commercial for the debtor.

Article (120):

For the pledge to be enforceable against third parties, the possession of the pledged property must be transferred to the pledgee or a third party appointed by the contracting parties, and the pledged property must remain in the possession of the transferee until the pledge is fulfilled.



The pledgee or third-party appointee shall be considered to have possession of the pledged property in the following cases:

- If the property is placed under their control in such a manner that a third party believes it is in their custody.
- If a certificate representing the pledged property is delivered to them, granting them the exclusive right to take possession.

The possession of rights is transferred upon delivery of certificates evidencing those rights. If the certificate is held by a third party, delivering a receipt of deposit shall be considered as delivering the certificate, provided the certificate is clearly identified in the receipt, and the depository agrees to hold the certificate for the benefit of the pledgee. In this case, the depository is deemed to have waived any right to withhold the certificate for their benefit prior to the pledge, unless this right was explicitly reserved when accepting the possession on behalf of the pledgee.

Article (121):

Pledging rights represented by registered certificates is done by an assignment stating that it is for the purpose of pledge, and it must be recorded in the books of the entity that issued the certificate.

Pledging rights represented by certificates to order is done by endorsing the certificate with a statement that it is pledged or using any other expression indicating this.

The pledge referred to in the previous paragraphs shall be valid against the debtor without the need for notification of the pledge or their acceptance.

Article (122):

Notwithstanding the provisions in the previous article, a commercial pledge does not require written documentation or a document that is dated to be valid against third parties.



A commercial pledge may be proved between the contracting parties and against third parties using any method of proof, regardless of the value of the debt secured by the pledge.

Article (123):

The pledgee must, if requested by the debtor, provide a receipt stating the nature, type, quantity, and other distinguishing features of the pledged property.

Article (124):

If the pledge is established on fungible goods, the pledge remains valid even if the pledged goods are replaced with another of the same type.

If the pledged property is non-fungible, the debtor may replace it with other goods, provided that this is agreed upon in the pledge contract and the pledgee accepts the substitution.

Article (125):

The pledgee must take all necessary measures and actions to preserve and maintain the pledged property. They must collect any rights associated with the property, such as its value and proceeds, on behalf of the debtor, and deduct any amounts collected from the debt secured by the pledge, even if the debt is not yet due.

The deductions must first cover the costs incurred in preserving and maintaining the property, then cover expenses, followed by the proceeds, and finally, the principal debt, unless otherwise agreed.

Article (126):

If the debtor fails to pay the debt secured by the pledge by its due date, the pledgee may, after five days from notifying the debtor to fulfill the obligation, request the competent judge to order the sale of the pledged property, either in whole or in part, by petition submitted to the court in the jurisdiction where the debtor resides.



The court's order for the sale of the pledged property may only be executed after five days from the date it is served to the debtor and any guarantor, if applicable, along with details of the place, date, and time of the sale.

The sale must take place at the time and location specified by the judge and through a public auction, unless the judge orders an alternative method. If the pledged property is traded on a stock exchange, the judge shall order the sale to take place on that exchange through an approved broker.

The pledgee shall prioritize the payment of their debt from the sale proceeds, including the principal, interest, and expenses.

Article (127):

If the pledge covers multiple assets, the pledgee has the right to choose which asset to sell, unless otherwise agreed or if choosing a particular asset would harm the debtor. In all cases, the sale shall only cover what is necessary to satisfy the pledgee's debt.

Article (128):

If the market price of the pledged property decreases to the point where it no longer sufficiently guarantees the debt, the pledgee may set a reasonable deadline for the debtor to provide additional collateral. If the debtor refuses or fails to provide the additional collateral by the specified date, the pledgee may proceed with the sale of the pledged property following the procedures outlined in Article (126) of this law, and the pledge will transfer to the sale proceeds.

If the pledged property is at risk of being destroyed, damaged, or requires excessive maintenance costs, and the debtor refuses to provide a substitute, either the pledgee or the debtor may request, through a petition to the competent judge, permission to immediately sell the property by any method specified by the judge, with the pledge transferring to the proceeds of the sale.



Article (129):

Any agreement made at the time of establishing the pledge or thereafter, which gives the pledgee the right to own or sell the pledged property without following the procedures outlined in Article (126) of this law, shall be void.

Part Two: Commercial Obligations and Contracts

Chapter Four: Deposits in Public Warehouses

Article (130):

A deposit in a public warehouse is a contract whereby the warehouse operator undertakes to store goods for the account of the depositor or for the person who will acquire ownership or possession based on the certificates representing the goods.

No public warehouse may be established or operated with the right to issue negotiable certificates representing the stored goods unless authorized by the relevant administrative authority in accordance with its conditions and regulations.

When applying the provisions of this Chapter to the deposit of goods on which taxes or customs duties have not been paid, the applicable provisions in the relevant laws and the decisions issued to implement them must be followed.

A public warehouse that cannot issue negotiable certificates representing the goods is not considered a public warehouse subject to the provisions of this Chapter.

Article (131):

The operator of a public warehouse must insure the warehouse against fire risks with an insurance company, covering the goods stored for third parties.



However, the insurance does not cover goods stored in a public warehouse at a seaport or airport if the goods are also covered by maritime or air insurance against fire risks. If the incident occurs during the period of maritime or air insurance, that insurance alone applies for compensation. The goods will only be covered by the warehouse insurance once the period of maritime or air insurance expires or if the insurance is insufficient to cover the loss.

Article (132):

The depositor is required to provide the public warehouse with accurate information about the nature, type, quantity, and value of the deposited goods.

The depositor has the right at any time to inspect the goods stored in the warehouse for their account, take samples, and allow others to do so.

Article (133):

The operator of the warehouse is responsible for the safekeeping and maintenance of the deposited goods, up to the value specified by the depositor.

The warehouse operator is not liable for any damage, loss, or deterioration of the goods if it results from force majeure, the nature of the goods, a defect inherent in the goods, or the way the goods were packaged or bundled.

Article (134):

The warehouse operator may request the competent judge, in the court where the warehouse is located, to issue an order for the sale of the deposited goods if they are at risk of rapid deterioration. The judge will determine how the sale should be conducted and how the proceeds should be handled.



Article (135):

The depositor may deal with the deposited goods through sale, pledge, or other transactions by means of the certificates issued by the public warehouse.

The warehouse operator may offer loans to the depositor by pledging the deposited goods and may deal with the pledge certificate representing them.

The goods stored in public warehouses may not be pledged or executed upon to satisfy the debt secured by the pledge, except by following the provisions set out for commercial pledges.

Article (136):

The depositor will receive a receipt of deposit stating their name, profession, residence, the type, nature, quantity, and other details required to identify and value the goods, the name of the warehouse, and the name of the insurance company covering the warehouse, along with whether taxes and fees on the goods have been paid.

The deposit receipt is accompanied by a pledge certificate containing the same information as the receipt.

The depositor may divide the goods into multiple groups and receive a separate deposit receipt and pledge certificate for each group.

The warehouse must keep an identical copy of the deposit receipt and pledge certificate.

Article (137):

If the deposited goods are fungible and covered by a deposit receipt and pledge certificate, the depositor may replace them with goods of the same type and characteristics, provided that this is specified in the deposit receipt and pledge certificate. In this case, all the rights and privileges of the receipt or certificate holder transfer to the new goods.

The deposit receipt and pledge certificate may be issued for a quantity of fungible goods as part of a larger quantity.



Article (138):

The deposit receipt or pledge certificate may be issued in the name of the depositor or to their order.

If the deposit receipt or pledge certificate is issued to the order of the depositor, they may transfer it by endorsement, either jointly or separately.

The holder of the endorsed deposit receipt or pledge certificate may request the registration of the endorsement and their address in the warehouse's records.

Article (139):

The endorsement of the deposit receipt or pledge certificate must be dated and signed by the endorser.

If the pledge certificate is endorsed separately from the deposit receipt, the endorsement must include, in addition to the information specified in the previous paragraph, details of the debt secured by the pledge, including the principal and interest, the due date, and the name, profession, and residence of the creditor. The first endorsee must promptly request the registration of the endorsement and the related details in the warehouse's records and have this reflected on the pledge certificate.

When endorsing the pledge certificate, the first endorsee must request the registration of the endorsement and related details in the warehouse's records and have this reflected on the pledge certificate.

Article (140):

The holder of the pledge certificate, without the deposit receipt, has a pledge on the deposited goods.

The holder of the deposit receipt, without the pledge certificate, has the right to withdraw the deposited goods, provided they pay the debt secured by the pledge if it is due. If the debt is not yet due, they may withdraw the goods before the due date by depositing an amount sufficient to cover the debt and interest until the due date. This rule also applies if the debt becomes due and the holder of the pledge certificate does not come forward to collect it.



The withdrawal may be limited to part of the goods, provided that an amount proportionate to the part is deposited.

Article (141):

If the debt secured by the pledge is not paid by the due date, the holder of the pledge certificate, separately from the deposit receipt, may request the sale of the pledged goods by following the procedures specified for commercial pledges.

Article (142):

The pledgee shall satisfy their claim from the proceeds of the sale of the goods, taking priority over ordinary creditors, after deducting the following amounts:

- Taxes and duties owed on the goods.
- Costs of selling the goods, storing them, and other preservation expenses.

If the holder of the deposit receipt is not present at the time of the sale, the surplus amount, exceeding what is owed to the pledgee, shall be deposited in the court treasury in the district where the warehouse is located.

Article (143):

The holder of the pledge certificate may not seek recourse against the debtor or endorsers unless they have executed the sale of the pledged goods and established that the sale proceeds are insufficient to settle the debt.

Recourse against the endorsers must occur within fifteen days from the date of the sale of the goods, or the holder's right to recourse will be forfeited.

In all cases, the right of recourse against the endorsers shall be forfeited if the holder does not initiate execution on the pledged goods within thirty days from the debt's maturity date.



Article (144):

If an incident occurs involving the goods, the holder of the deposit receipt or pledge certificate has all the rights associated with the goods to the insurance amount that is due when the incident happens.

Article (145):

If the deposit receipt is lost or damaged, the holder may request the competent judge in the court where the warehouse is located to issue an order for a duplicate of the receipt, provided they prove ownership and provide a guarantor. The guarantor's liability ends six months after the guarantee is submitted, unless someone requests the return of the sold goods.

If the pledge certificate is lost, the holder may request the competent judge in the court where the warehouse is located to issue an order for the payment of the debt secured by the pledge when due, provided they prove ownership of the lost certificate and provide a guarantor. If the debtor fails to comply with the order, the person benefiting from the order may execute the pledge on the goods following the procedures prescribed for commercial pledges, provided that the first endorsement of the certificate has been registered in the warehouse's records according to the provisions of paragraph 2 of Article (139) of this law. The guarantor's liability ends six months after the debt's due date if the person benefiting from the order does not initiate the execution on the pledged goods.

Article (146):

If the depositor fails to recover the goods at the end of the deposit contract, the warehouse operator may request the sale of the goods following the procedures for commercial pledges. The sale proceeds will first cover the amounts owed to the operator, and the remaining balance will be given to the depositor or deposited in the court treasury.

The provisions of the previous paragraph apply if the deposit contract is indefinite and one year has passed without the depositor requesting the return of the goods or expressing a desire to continue the deposit agreement.



Article (147):

Any person who establishes or operates a public warehouse without obtaining the authorization referred to in paragraph 2 of Article (130) of this law shall be punished by imprisonment and a fine of no less than 5,000 EGP and no more than 50,000 EGP, or by one of these penalties.

In case of a conviction, the court may order the closure of the warehouse and the transfer of the goods in it to an authorized warehouse, at the convicted party's expense, and for the goods to be delivered to their owners or disposed of for their account according to the provisions of this Chapter. The court shall also order the publication of the judgment in a daily newspaper, including the location of the new warehouse, at the convicted party's expense.

Book Two: Commercial Obligations and Contracts

Chapter Five: Commercial Agency

Section One: General Provisions

Article (148):

The provisions of commercial agency apply if the agent is a professional conducting commercial transactions on behalf of another party.

Article (149):

If a commercial agency is granted in general terms, it applies only to commercial transactions.

If the commercial agency is granted for a specific commercial transaction, the agent may perform all actions necessary to complete the transaction without requiring the principal's permission.



Article (150):

A commercial agency is remunerated.

The agent is entitled to the agreed remuneration as soon as the transaction they were assigned is concluded, and is also entitled to remuneration if they prove that the transaction could not be concluded due to a reason attributable to the principal.

In other cases, the agent is not entitled to remuneration but is entitled to compensation for the effort expended, according to commercial customs.

Notwithstanding the provisions of paragraph 2 of Article (709) of the Civil Code, if the agent's remuneration is agreed upon, it shall not be subject to the court's discretion.

Article (151):

The agent must follow the principal's instructions. If the agent acts contrary to the instructions without a valid reason, the principal may refuse the transaction.

If no instructions are provided by the principal regarding the transaction, the agent must delay concluding the transaction and request instructions from the principal, unless delaying the transaction would harm the principal or the agent has been authorized to act without instructions.

Article (152):

If the goods or items held by the agent for the principal are at risk of rapid deterioration or decline in value, and the agent does not receive instructions from the principal in a timely manner, the agent may request the competent judge in the court where their business is located to issue an order for the sale of the goods in any manner the judge deems appropriate.



Article (153):

The agent may refuse to perform the tasks assigned to them if doing so would require excessive expenses, and the principal has not provided these expenses, unless otherwise agreed upon or customary in prior dealings between the parties.

Article (154):

If the agent refuses to perform the assigned transaction, they must immediately notify the principal. In such a case, the agent must safeguard the goods and other items held for the principal until receiving further instructions. If no instructions are received within a reasonable time, the agent may request the competent judge in the court where their business is located to issue an order for depositing the goods or items with a custodian designated by the judge.

Article (155):

The agent is liable for the loss or damage of goods and items held for the principal, unless the loss or damage was caused by a factor outside the agent's control or due to an inherent defect in the goods or item.

The agent is not obliged to insure the goods they hold for the principal unless the principal has requested it or unless required by customary practice or the nature of the goods.

Article (156):

The agent may not make themselves a party to the transaction they are tasked with concluding, except in the following cases:

- If authorized by the principal.
- If the principal's instructions regarding the transaction are clear and specific, and the agent executes them precisely.
- If the transaction concerns goods with a fixed market price, and the agent buys or sells them at that price.



- In the cases outlined in the previous paragraph, the agent is not entitled to remuneration for the agency.
-

Article (157):

Any third party dealing with the agent may request to review the agency contract, correspondence, and other documents that confirm or restrict the agent's authority. The third party may not claim ignorance of any restrictions on the agent's authority unless it is proven that they were aware of these restrictions at the time of the transaction.

Article (158):

The agent must inform the principal of the transactions they conclude on their behalf.

The agent must provide the principal with a statement of the work done within the agreed time or as dictated by customary practice or previous dealings. The statement must be accurate, and if it contains incorrect information intentionally, the principal may reject the transactions related to this information, in addition to claiming compensation. In such cases, the agent is not entitled to remuneration for those transactions.

Article (159):

The agent, in addition to the right to retain, has a lien on the goods and other items sent to them or deposited with them by the principal.

This lien covers the agent's fees, expenses, amounts paid on behalf of the principal, loans extended to the principal, and any other amounts owed to the agent under the agency, whether spent before the delivery of the goods or during the agent's possession of them.

The lien is established regardless of whether the debt was incurred from actions related to the goods still in the agent's possession or from other goods previously sent to, deposited with, or delivered to the agent.



Article (160):

The agent's lien, as mentioned in the previous article, shall only apply if the agent possesses goods or items on behalf of the principal. This possession is considered in the following cases:

- If the agent actually receives the goods or items.
- If the goods or items are placed at their disposal in customs or in a public or private warehouse.
- If the agent possesses them before their arrival based on a bill of lading or any other transport document.
- If the agent exports them and retains possession based on a bill of lading or any other transport document.

If the goods or items subject to the lien are sold and delivered to the buyer, the agent's lien transfers to the proceeds of the sale.

Article (161):

The commercial agent's lien takes priority over all other liens, except for judicial expenses and taxes or duties owed to the state.

Article (162):

The procedures for executing against goods and items in the possession of the commercial agent shall follow the procedures for executing against commercially pledged property.

However, if the agent is tasked with selling the goods or items in their possession, they may execute the sale directly without following the procedures mentioned in the previous paragraph, unless they are unable to follow the principal's instructions regarding the sale.



Article (163):

Either party to a commercial agency contract may terminate the contract at any time. Compensation is only due if the contract is terminated without prior notice or at an inconvenient time. If the contract is for a fixed term, termination must be based on a valid and acceptable reason, otherwise, compensation is due.

Article (164):

If the principal has no known domicile in Egypt, the agent's domicile in Egypt shall be considered the principal's domicile. Legal actions and service of judicial documents may be carried out at the agent's domicile in relation to actions the agent undertakes on behalf of the principal.

Article (165):

The laws and regulations specific to the practice of commercial agency in Egypt shall apply regarding the organization of commercial agency activities.



Chapter Five: Commercial Agency

Section Two: Some Types of Commercial Agencies

1. Commission Agency

Article (166):

A commission agency contract is one in which the agent undertakes to conduct a legal act in the name of the principal and for the principal's account.

In addition to the general provisions regarding commercial agency, the provisions in the following articles apply to commission agency contracts.

Article (167):

If the commission agent sells goods for less than the price set by the principal or buys them for more, the principal must notify the agent as soon as they learn of the transaction if they wish to reject it. Otherwise, the principal is considered to have accepted the price.

The principal cannot reject the transaction if the commission agent accepts bearing the price difference.

Article (168):

If the commission agent purchases goods on behalf of the principal that do not meet the type or category requested by the principal, the principal is not obligated to accept them.

If the commission agent purchases goods that match the requested goods but in a larger quantity, the principal is only obligated to accept the quantity they ordered. If the quantity is smaller, the principal has the option to either accept or reject the goods.



Article (169):

If the commission agent enters into a contract on terms better than those specified by the principal, the benefit of those better terms shall belong to the principal, and the agent must account for the transaction based on the actual terms of the deal.

Article (170):

If the commission agent grants the buyer additional time to pay the price or a portion of it without the principal's permission, the principal may demand immediate payment in full from the agent. In such cases, the commission agent may keep the price difference if the transaction was completed at a higher price.

However, the commission agent may grant time or split payments without the principal's permission if it is customary in the market where the sale took place, unless the principal's explicit instructions require immediate payment.

Article (171):

If the principal's instructions specify a delayed payment price but the commission agent sells at an immediate payment price, the principal may only demand payment from the agent when the agreed-upon due date arrives. In this case, the commission agent is required to pay the price based on the delayed payment terms.

Article (172)

The commission agent may not alter the trademarks on the goods they receive from the principal unless this is done within the law and explicitly authorized.

If the commission agent holds a batch of goods of the same type, sent by different principals, they must place a distinguishing label on each good.



Article (173):

The commission agent may disclose the name of the principal they are contracting for unless the principal has instructed them not to disclose their name. Disclosing the principal's name does not change the nature of the agency, provided the agent is entering into the contract in their own name.

The commission agent must disclose the name of the third party they contracted with, if requested by the principal. If the agent refuses to disclose the third party's name without a valid reason, the agent may be considered liable for the execution of the transaction.

Article (174):

The commission agent is directly liable to the third party they contract with, and the third party is directly liable to the commission agent.

The third party contracting with the commission agent cannot sue the principal, nor can the principal sue the third party directly unless the law provides otherwise.

Article (175):

If the commission agent, tasked with selling, becomes insolvent before receiving payment from the buyer, the principal may directly demand payment from the buyer.

If the commission agent, tasked with purchasing, becomes insolvent before receiving the goods, the principal may directly demand delivery of the goods from the seller.

Article (176):

The commission agent does not guarantee the performance of the third party they contract with unless this guarantee is expressly agreed to or mandated by law or is customary in the market where the agent operates.

If the commission agent provides such a guarantee, they are entitled to a special fee, which the court will determine if no agreement or customary practice exists.



Part Two: Commercial Obligations and Contracts

Chapter Five: Commercial Agency

Section Two: Some Types of Commercial Agencies

2. Contract Agency

Article (177):

A contract agency is an agreement in which a person undertakes, continuously and within a specific area of activity, to promote, negotiate, and conclude transactions in the name and for the account of the principal in exchange for a fee. The agent's duties may also include performing the transactions in the name and for the account of the principal.

Article (178):

The contract agent manages their commercial activity independently and bears the costs required for managing their operations.

Article (179):

The principal may not employ more than one contract agent in the same area and for the same branch of activity. Similarly, the contract agent may not represent more than one establishment engaged in the same activity in the same area, unless both parties explicitly agree otherwise.

Article (180):

The contract agency agreement must be in writing, specifying in particular the scope of the agency, the agent's fee, the area of activity, and the duration of the contract if it is for a fixed term.



Article (181):

If the contract requires the contract agent to build display buildings, warehouses for goods, or maintenance or repair facilities, the contract duration must not be less than five years.

Article (182):

The contract agent may not collect the principal's dues unless authorized to do so by the principal. In such cases, the agent may not grant discounts or extensions without specific authorization.

The contract agent may receive orders related to the execution of contracts concluded through them and is considered the principal's representative in legal actions related to these contracts within the agent's area of activity.

Article (183):

The principal is obligated to pay the agreed fee to the agent.

This fee may be a percentage of the transaction value, calculated based on the sale price to customers unless otherwise agreed.

Article (184):

If the contract agency is limited to one agent in a specific area, the agent is entitled to a fee for transactions concluded by the principal directly or through others in this area, even if the agent did not facilitate the transaction, unless both parties explicitly agree otherwise.



Article (185):

The principal must provide the agent with all necessary information to execute the agency, particularly product specifications, samples, drawings, trademarks, and any other data that would assist in promoting and marketing the goods involved in the agency.

Article (186):

The contract agent is obligated to preserve the principal's rights and take all necessary precautionary measures to protect those rights. They must also provide the principal with information on market conditions within their area of activity.

Article (187):

The contract agent may not disclose the principal's trade secrets obtained during the execution of the agency, even after the contractual relationship ends.

Article (188):

A contract agency is established for the mutual benefit of both parties. If the contract is of indefinite duration, the principal may not terminate it without fault from the agent, otherwise, the principal is obligated to compensate the agent for any damages caused by the termination. Any agreement that contradicts this is void.

The agent is also obligated to compensate the principal for any damages caused by the agent's withdrawal from the agency at an inappropriate time and without acceptable justification.

Article (189):

This provision is deemed unconstitutional pursuant to the ruling of the Supreme Constitutional Court, Judgment No. 193 of 29 Judicial Year, published in the Official Gazette on June 28, 2012.



Article (190):

The compensation claim referred to in the previous article shall be extinguished ninety (90) days after the expiration of the contract.

All other claims arising from the agency contract shall be extinguished two (2) years after the termination of the contractual relationship.

The provision of Clause (1) of Article (190) of the Commercial Law, issued by Law No. 17 of 1999, was annulled pursuant to the ruling of the Supreme Constitutional Court, Judgment No.

193 of Judicial Year 29 "Constitutional," published in the Official Gazette, Issue No. 26 (Supplement) on June 28, 2012.

Article (191):

Notwithstanding the provisions of jurisdiction in the Civil Procedures Law, the court where the contract was executed shall have jurisdiction over all disputes arising from a contract agency.

Part Two: Commercial Obligations and Contracts

Chapter Six: Brokerage

Article (192):

Brokerage is a contract in which the broker commits to finding a second party to conclude a specific contract and mediates the conclusion of that contract.



Article (193):

If the broker's fee is not specified by law or the agreement, it shall be determined according to customary practices. If no custom exists, the court will determine the fee based on the effort expended by the broker and the time spent on the task.

Article (194):

The broker is entitled to their fee only if their mediation leads to the conclusion of the contract. If the contract is not concluded due to the principal's obstinacy, the court may compensate the broker for the effort expended.

The broker is entitled to the fee as soon as the contract is concluded, even if it is not fully or partially executed.

If the contract is contingent on a suspensive condition, the broker is entitled to their fee only if the condition is fulfilled.

If the contract's effects depend on the completion of a specific legal procedure, such as registration in a property sale or a mortgage, the broker is entitled to their fee as soon as the preliminary contract is concluded.

Article (195):

If the contract that the broker mediated is rescinded, the broker may claim their fee or retain any fee already received unless fraud or gross negligence is proven on their part.

Article (196):

The court may reduce the broker's fee if it is disproportionate to the effort expended, unless the agreed fee has been paid after the contract mediated by the broker has been concluded.



Article (197):

The broker is not entitled to a fee for mediating a transaction that is legally prohibited.

Article (198):

The broker is entitled to their fee only from the party that authorized them to mediate the contract.

If the authorization is granted by both parties, each party is individually liable to the broker for the payment of the fee, without joint liability, even if they agree between themselves that one party will bear the entire fee.

Article (199):

The broker may not recover expenses incurred in performing their duties unless it was agreed upon. In this case, the broker is entitled to the expenses even if the contract is not concluded.

Article (200):

Even if the broker is authorized by only one of the parties, they must present the transaction to both parties fairly and disclose all circumstances they know about the transaction. The broker is liable to both parties for any fraud or gross negligence on their part.

Article (201):

The broker may not make themselves a party to the contract they are mediating unless authorized by the contracting parties. In this case, the broker is not entitled to any fee.



Article (202):

The broker is liable for compensating any damage caused by the loss or destruction of documents, papers, or items related to the contract they are mediating, unless force majeure is proven.

Article (203):

The broker does not guarantee the success of the contract the parties enter into or the execution of the contract, nor is the broker responsible for the value or quality of the goods related to the contract, unless fraud or gross negligence is proven.

Article (204):

If the broker delegates their duties to another without being authorized to do so, they are responsible for the actions of their delegate as if those actions were their own, and both the broker and the delegate are jointly liable.

If the broker is authorized to appoint a delegate but fails to specify the person, the broker is only liable for errors in selecting the delegate or errors in the instructions given to the delegate.

In all cases, the principal or the broker's delegate may directly seek recourse from each other.

Article (205):

If multiple brokers are authorized for a single contract, they are jointly liable for the tasks assigned to them unless they are authorized to act individually.

If multiple individuals appoint a single broker for a shared task, they are jointly liable to the broker for the fees due under the delegation unless otherwise agreed.

If the contract is concluded with the involvement of several brokers and no individual fee is set for each, each broker is entitled to a share of the total fee in proportion to the effort they contributed to the conclusion of the contract.



Article (206):

The broker must record all transactions mediated by them in their books, keep related documents, and provide certified copies of these to the parties to the contract upon request. These books are subject to the provisions regarding commercial books.

In the case of sample sales, the broker must retain the sample unless it is perishable until the buyer accepts the goods without reservation or until all disputes are resolved.

Article (207):

The provisions of the laws governing securities brokerage shall apply to brokerage in the stock exchange.

Book Two: Commercial Obligations and Contracts

Chapter Seven: Transport: General Provisions

Article (208):

A transport contract is an agreement in which the carrier undertakes, using their own means, to transport a person or thing to a specified location in exchange for a fee.

Article (209):

Except for maritime transport, the provisions of this chapter apply to all types of transport, regardless of the carrier's status, unless the law provides otherwise.

These provisions also apply to transport even if accompanied by other operations, unless these operations are the primary purpose of the contract.



Article (210):

A transport contract and a commission agency contract for transport are concluded as soon as there is an agreement. The contract may be proven by all legal means of proof.

The carrier's receipt of the item for transport is considered an acceptance of the offer made by the sender.

The passenger's boarding of the transport vehicle is considered an acceptance of the offer made by the carrier, unless it is proven that the passenger did not intend to conclude the transport contract.

Article (211):

If the carrier has more than one model for the contracts they enter into, the transport contract shall be governed by the model that includes the general terms, unless it is agreed to follow a different model that contains specific terms.

If a specific model is agreed upon, the terms it includes cannot be separated.

Article (212):

If the carrier holds a monopoly on a certain type of transport or operates certain transport routes, they are obligated to accept all transport requests, unless the request contradicts the transport conditions or if it is impossible for the carrier to fulfill it due to reasons beyond their control or the control of their employees.

Article (213):

The carrier's responsibility includes the actions of the carrier and their employees while they are performing their duties.

An employee is considered anyone the carrier uses to fulfill the obligations arising from the transport contract.



Any provision that exempts the carrier from liability for the actions of their employees is void.

Article (214):

Explosions, fires, derailments, collisions, or other accidents related to the tools or machines used by the carrier to perform the transport, even if the carrier took precautions to ensure their suitability for operation and prevent damage, are not considered force majeure in transport contracts.

The sudden death, physical, or mental impairment of the carrier's employees during their work is also not considered force majeure, even if the carrier took precautions to ensure their fitness for work.

Article (215):

The carrier is not liable for damages resulting from the delay of transport or deviation from the agreed route due to the necessity of providing assistance to a sick, injured, or endangered person.

Article (216):

Fraud in transport matters refers to any action or omission by the carrier or their employees aimed at causing damage.

Gross negligence refers to any action or omission by the carrier or their employees marked by recklessness and awareness of the potential damage.



Part Two: Commercial Obligations and Contracts

Chapter Seven: Transport

Section One: Transport of Goods

Article (217):

The sender must provide the carrier with the following details: the name and address of the consignee, the destination, the nature of the goods being transported, their weight, size, packing method, number of parcels, and any other information required by the carrier or specified by law to identify the goods.

The sender is responsible for any damage caused by incorrect or insufficient information provided.

Article (218):

If a transport document is issued, it must contain the following details:

- The location and date of issuance of the document.
- The names and addresses of the sender, consignee, and the transport agent (if any).
- The place of departure and the destination.
- Details for identifying the goods, such as weight, size, packing method, number of parcels, and any other necessary information for identifying the goods and assessing their value.
- The specified time for starting the transport.
- The transportation fee and other charges, specifying who is responsible for paying them—either the sender or the consignee.



- Specific conditions for loading or unloading, the type of vehicles used in transport, the route to follow, liability conditions, and any other special terms that may be included in the transport agreement.
- The sender may request a copy of the transport document signed by the carrier.

Article (219):

If no transport document is issued, the sender may request a signed receipt from the carrier acknowledging the receipt of the goods for transport. The receipt must be dated and contain enough information to identify the goods and the transport fee.

Article (220):

A transport document can be issued in the name of a specific person, to their order, or to the bearer. The document may be transferred according to the rules of assignment of rights in the Civil Code if it is nominative, by endorsement if it is to order, or by delivery if it is to the bearer.

Article (221):

The transport document is considered evidence of the details it contains, and the party claiming otherwise must provide proof to the contrary.

Article (222):

The consignee does not acquire the rights or assume the obligations arising from the transport contract unless they explicitly or implicitly accept these rights and obligations. Implicit acceptance is considered when the consignee accepts the transport document or the goods, requests delivery, or issues instructions regarding the goods.



Article (223):

The sender must provide the carrier with the goods and necessary documents for the transport. The sender is responsible for any insufficiency or inaccuracy of the documents, while the carrier is responsible for the loss or misuse of those documents.

If the transport requires special preparation by the carrier, the sender must notify the carrier in advance.

Delivery of the goods for transport must occur at the carrier's specified place unless agreed otherwise.

Article (224):

If the nature of the goods requires preparation for transport, such as packaging, wrapping, or bundling, the sender must do so in a way that prevents damage and does not harm other goods being transported. If transport conditions require a specific method of packaging, wrapping, or bundling, the sender must comply.

The sender is responsible for any damage caused by defective packaging, wrapping, or bundling. However, the carrier is responsible for such damage if they accept the goods knowing the defect. The carrier is considered to know of the defect if it is apparent or if it could not be missed by an ordinary carrier.

The carrier cannot avoid responsibility for damage to goods by proving that the damage was caused by a defect in the packaging or wrapping of other goods. Any agreement contrary to this is void.

Article (225):

The carrier has the right to inspect the goods to verify their condition and the accuracy of the information provided by the sender.

If the inspection requires opening packages or containers, the sender must be notified and invited to attend the inspection. If the sender does not attend at the specified time, the carrier may proceed with the inspection in the sender's absence and may charge the sender or consignee for the inspection expenses.



If the inspection reveals that the goods are not suitable for transport without damage, the carrier may refuse to transport the goods or proceed with the transport only after obtaining the sender's acknowledgment of the goods' condition and their consent to the transport. The goods' condition and the sender's acknowledgment must be documented in the transport document.

Article (226):

The carrier must deliver the goods for transport without reservations, confirming they have received the goods in good condition and as described in the transport document. If the carrier claims otherwise, they must provide proof.

Article (227):

The carrier is obligated to load the goods onto the transport vehicle unless otherwise agreed.

If the sender is responsible for the loading, the carrier is not liable. However, if the carrier accepts the transport without reservation, it is assumed that the loading was done correctly unless the carrier can prove otherwise.

If the sender requests the goods to be loaded onto a specific transport vehicle, the carrier is not liable for any damage caused by using that vehicle.

Article (228):

The carrier must follow the agreed-upon route. If no specific route is agreed upon, the carrier must follow the best route available.

However, the carrier may change the agreed route if necessary. In such cases, the carrier is not liable for any delays or other damages caused by the route change unless fraud or gross negligence is proven. The carrier may also claim for additional expenses resulting from the route change.



Article (229):

The carrier guarantees the safety of the goods during the transport contract execution.

If the preservation of the goods during the transport requires re-bundling, repairing packaging, or adding to or reducing packaging, or taking other necessary measures, the carrier must perform these actions and bear the costs, except if the damage is due to the sender's or consignee's fault. The carrier is not responsible for unusual preservation measures, such as watering plants, feeding animals, or providing medical care, unless agreed otherwise.

Article (230):

The carrier must unload the goods upon arrival unless the law or the contract states otherwise. In such cases, the carrier is not liable for any damage caused during unloading.

In all cases, the carrier is responsible for unloading expenses unless otherwise agreed or customary.

Article (231):

If delivery is not required at the consignee's location, the carrier must notify the consignee of the arrival of the goods and the time at which they can come to collect them.

The consignee must collect the goods at the time specified by the carrier and bear the storage costs. After this time, the carrier may transfer the goods to the consignee's location at an additional fee.

The consignee has the right to inspect the goods before accepting them. If the carrier refuses to allow this inspection, the consignee may refuse to accept the goods.



Article (232):

While the goods are in the carrier's possession, the sender may instruct the carrier to halt or stop the transport, return the goods to them, redirect the goods to another person instead of the original consignee, or change the delivery location or any other instruction, provided the sender pays the carrier for the transport completed, any expenses incurred, and compensation for any damage caused by the new instructions. If the sender has received a copy of the transport document, they must provide it to the carrier for the new instructions to be recorded and signed by the sender; otherwise, the carrier may refuse to follow the instructions.

The right to issue instructions related to the goods passes to the consignee once the transport document is delivered to them. In this case, the consignee must also provide the document to the carrier for the new instructions to be recorded and signed by the consignee; otherwise, the carrier may refuse to follow the instructions.

No new instructions may be issued regarding the goods once they have arrived and the consignee has either requested delivery or been notified to come and collect them.

Article (233):

The carrier must comply with instructions received from the authorized party under the provisions of Article 232 of this law, unless the instructions contradict the transport conditions, the carrier cannot fulfill them, their execution would disrupt the transport process, or the value of the goods does not cover the costs incurred by the carrier in executing them. In such cases, the carrier must notify the party who issued the new instructions of their refusal to execute them and the reason for this refusal. The carrier will be held liable if they refuse to execute the instructions without justification.

Article (234):

If the transport is halted during its execution, or if the consignee fails to appear to collect the goods or attends and refuses to accept the goods or pay the transport fee and other charges, the carrier must immediately notify the sender and request instructions. Notwithstanding the provisions of Article 232 of this law, the carrier is obligated to follow any instructions received from the sender, even if the sender cannot provide a copy of the transport document they received from the carrier.



If the sender's instructions do not arrive within a reasonable time, the carrier may request the competent judge to appoint one or more experts to verify the condition of the goods and allow them to deposit the goods with a custodian at the sender's expense or sell the goods in the manner determined by the judge if the goods are at risk of deterioration, damage, devaluation, or if their preservation requires significant expenses, depositing the proceeds in the court's treasury for the benefit of the concerned parties.

Article (235):

The sender is required to pay the transport fee and other charges due to the carrier unless it is agreed that the consignee will bear these costs.

If it is agreed that the consignee will bear the transport fee or other charges, both the sender and the consignee are jointly liable to the carrier for these payments.

Article (236):

The carrier is not entitled to a transport fee for any goods that are destroyed due to force majeure during the course of transport.

Article (237):

If force majeure prevents the commencement of transport, the carrier is not entitled to any fee.

If force majeure prevents the continuation of transport, the carrier is only entitled to the fee for the portion of the transport completed.

In all cases, the carrier may claim expenses for loading, unloading, and other necessary costs.



Article (238):

The right to claim a refund for any payment exceeding the agreed-upon or prescribed transport fee in the transport terms belongs to the party who paid the fee.

Article (239):

The carrier has the right to retain the goods being transported until the transport fee, expenses, and any other amounts due are paid.

The carrier has a lien on the proceeds from the sale of the goods, if executed, to cover all amounts due. The execution follows the procedures for the enforcement of commercially pledged goods.

Article (240):

The carrier is responsible for the total or partial destruction of the goods, damage, or delay in delivery from the moment they take possession of the goods.

The goods are considered totally destroyed if the carrier fails to deliver them or fails to notify the consignee to collect them within thirty days from the expiration of the designated delivery time or from the time it would normally take a carrier to complete the transport under similar circumstances if no delivery time was specified.

Article (241):

The carrier is not liable for the total or partial destruction or damage of the goods after they have been delivered to the consignee or their agent or to a custodian appointed by the court, unless fraud or gross negligence is proven on the part of the carrier or their employees.



Article (242):

The carrier is not responsible for the usual loss of weight or volume of goods during transport unless it is proven that the loss occurred due to another cause.

If the transport document covers several items divided into groups or parcels, the allowable loss will be based on the weight of each group or parcel if the weight is specified separately in the transport document or if it can be determined.

Article (243):

If the goods are under the custody of the sender or consignee, the carrier is not liable for their destruction or damage unless fraud or gross negligence is proven on the part of the carrier or their employees.

Article (244):

The carrier may not disclaim responsibility for the destruction, damage, or delay of the goods during transport unless they can prove force majeure, inherent defects in the goods, or fault on the part of the sender or consignee.

If the carrier proves one of the above, the claimant may refute this proof by presenting evidence that the damage was not caused by the claimed reason.

Article (245):

Any provision that exempts the carrier from responsibility for the total or partial destruction or damage of the goods is void.

Any provision that obligates the sender or consignee to pay all or part of the insurance fees against the carrier's liability is considered an exemption from responsibility. Any provision where the sender or consignee waives their rights under the insurance policy against transport risks is also considered an exemption.



Article (246):

The carrier may:

- Limit their liability for the total or partial destruction or damage of the goods, provided the agreed compensation is not less than one-third of the value of the transported goods at the place and time of transport; any agreement for compensation below this limit must be increased.
- Be exempt from all or part of their liability for delays.
- The liability limitation or exemption condition must be written in the transport document; otherwise, it is considered void. If the transport contract is drafted using printed forms, the condition must be clearly written and easily noticeable; otherwise, the court may treat the condition as void.
- The carrier may not rely on a limitation or exemption of liability if fraud or gross negligence is proven on the part of the carrier or their employees.

Article (247):

If the goods are destroyed or damaged without their value being specified in the transport document, compensation will be calculated based on their actual value at the place and time of arrival, unless otherwise stated by law or agreed upon. In the case of partial loss, when calculating compensation, the allowable loss value will be considered in accordance with Article 242 of this law.

If the value of the goods is specified in the transport document, the carrier may dispute this value and prove the actual value of the goods by any means of evidence.

Except in cases of fraud or gross negligence by the carrier or their employees, the carrier is not liable for the destruction of money, securities, jewelry, antiques, or other valuable items entrusted to them for transport, except to the extent that the sender provided written details about them at the time of delivery.



Article (248):

Compensation for total destruction of the goods cannot be combined with compensation for delay.

Compensation for delay in the case of partial destruction will only be awarded for the portion that was not destroyed.

In all cases, the compensation awarded cannot exceed the compensation for total destruction of the goods.

Article (249):

If the goods are damaged or delayed to the extent that they are no longer fit for their intended purpose and the carrier is responsible for the damage or delay, the claimant for compensation may choose to transfer the goods to the carrier in exchange for compensation calculated based on the total destruction of the goods.

Article (250):

If compensation is paid due to the destruction of the goods and they are later found within one year from the date of payment, the carrier must immediately notify the person who received the compensation, informing them of the condition of the goods and inviting them to inspect them at the place where they were found, or at the place of departure or destination, according to the choice of the person who received the compensation.

If the person who received the compensation does not provide instructions within fifteen days from receiving the notification or if they provide instructions but fail to attend the inspection at the time specified by the carrier, or if they attend but refuse to accept the goods, the carrier may dispose of the goods.

If the person who received the compensation requests the return of the goods, they must return the compensation amount received, after deducting expenses and any damages caused by the delay in delivering the goods.



Article (251):

Accepting the goods without reservation forfeits the right to claim compensation from the carrier for partial destruction or damage, unless the consignee proves the condition of the goods and files a claim against the carrier within ninety days from the date of delivery.

The carrier cannot refuse to accept the claim under the previous paragraph:

- If it is proven that the destruction or damage was caused by fraud or gross negligence by the carrier or their employees.
- If it is proven that the carrier or their employees intentionally concealed the partial destruction or damage.
- Proof of the condition of the goods referred to in the first paragraph of this article may be made by an official from the administration or an expert appointed by the competent court on request.

Article (252):

If several carriers successively perform a single transport contract, each of them is jointly responsible with the others before the sender or consignee as if they had performed it alone, and any provision contrary to this is void.

If one of the successive carriers pays compensation or is officially required to pay, they may seek reimbursement from the other carriers based on their respective share of the transport fee, with the insolvent carrier's share being divided among the others in the same proportion. The carrier who proves that the damage did not occur in their part of the transport will be exempt from participating in the liability.

Article (253):

The final carrier is responsible before the previous carriers for claims made by the consignee regarding amounts due for transport. They have the right to collect these amounts on behalf of the others and take legal action to recover them, including exercising a lien on the goods being transported.



Article (254):

Any claim arising from a contract of transport of goods is subject to a limitation period of one year, beginning from the date the goods are delivered to the consignee, customs, or to a custodian appointed by the court for deposit, and the period begins in the case of total destruction from the expiration of the time specified in paragraph 2 of Article 240 of this law.

A claim by the carrier for recourse against successive carriers in accordance with paragraph 2 of Article 252 of this law is subject to a limitation period of ninety days from the date of payment of compensation or from the date they are officially requested to pay.

The limitation period prescribed in this article cannot be invoked by anyone who has committed fraud or gross negligence, or by their employees.

Part Two: Commercial Obligations and Contracts

Chapter Seven: Transport

Section Two: Transport of Persons

Article (255):

The passenger is obligated to pay the transport fee at the agreed time, or at the time specified in the transport regulations or as customarily required.

The passenger must follow the carrier's instructions regarding the transport.

Article (256):

If force majeure prevents the transport from being carried out or if circumstances arise before the transport that make it hazardous to life, the carrier is not liable for compensation for the non-performance of transport and is not entitled to the transport fee.

If force majeure or a risk to life arises during the transport, the carrier is only entitled to the transport fee for the part of the journey that has been completed.



Article (257):

If the passenger cancels the transport before it begins, they must notify the carrier of their cancellation before the designated transport day. In cases of necessity, the notification may be made on the specified day, provided it is received before the time set for transport.

If the cancellation notice is made as per the previous paragraph, the carrier is not entitled to the transport fee.

If the passenger cancels continuing the transport after it has started, they must pay the full fee unless the cancellation is due to necessity, in which case they only owe the fee for the part of the transport that has been completed.

Article (258):

Without prejudice to the provisions of Article 257 of this law, if the passenger does not appear at the appointed time for transport, the full fee is due. If they have already paid, they may proceed with transport at a later time unless otherwise agreed or customary.

Article (259):

If the transport is delayed due to the carrier, their employees, or the transport means they use, the passenger may choose another transport method. In this case, the carrier is responsible for the expenses incurred to reach the agreed destination and may choose to wait until the transport resumes. In this case, the carrier is not required to charge any additional fee, without prejudice to the passenger's right to compensation if applicable.

Article (260):

The transport ticket may be transferred before the transport begins unless the ticket is issued in the passenger's name and personal considerations were taken into account when it was issued to them.



Article (261):

If the passenger is required to use a lower class than that stated on the transport ticket, they have the right to claim the difference in fare between the two classes from the carrier.

If the passenger paid an additional fee for special services, they may claim a refund if the carrier fails to provide the promised services.

Article (262):

The carrier has the right to retain the passenger's luggage as security for the payment of the transport fee and any other amounts due. The carrier also has a lien on the proceeds from the sale of the luggage if necessary to recover all amounts due. The procedures for enforcement on pledged goods apply in this case.

Article (263):

The carrier is obligated to transport the passenger and their luggage to the agreed destination at the time specified in the transport regulations or as customarily required. If no specific time is agreed upon, the transport must be performed within the time typically required under similar circumstances.

The carrier may, before starting transport or during the journey, inspect the passenger's luggage in the passenger's presence (if possible) to ensure it complies with transport conditions.

Article (264):

The carrier guarantees the safety of the passenger during the execution of the transport contract. Any agreement that exempts the carrier from this guarantee is void.



The execution of the transport contract includes the period between the passenger boarding the transport vehicle at the departure point and disembarking at the destination. If designated platforms are used, the contract's execution period includes the period from when the passenger enters the platform at the departure point to when they leave the platform at the destination. If a change of transport is required during the journey, the guarantee does not cover the period during which the passenger moves between transport vehicles not under the carrier's or their employees' supervision.

Article (265):

The carrier is responsible for:

- Delays in arrival.
 - Any physical or non-physical harm the passenger suffers during the execution of the transport contract.
-

Article (266):

The carrier may not deny responsibility for delays or for physical or non-physical harm to the passenger during the transport contract execution unless force majeure or the passenger's fault is proven.

Article (267):

Any provision that exempts the carrier from full or partial liability for bodily harm caused to the passenger is void.

Any provision requiring the passenger to pay all or part of the insurance for the carrier's liability or that waives the passenger's rights in insurance against the carrier's mistakes is also considered an exemption from liability.



Article (268):

The carrier may stipulate an exemption from liability for delays or for non-physical damages caused to the passenger, either fully or partially.

The exemption or limitation of liability clause must be written; otherwise, it will be considered null and void. If the transport contract is drafted using printed forms, the clause must be clearly written in a way that draws attention, otherwise, the court may treat the clause as void.

The carrier may not rely on an exemption or limitation of liability if fraud or gross negligence is proven on their part or that of their employees.

Article (269):

The passenger is responsible for the care of their luggage and animals authorized to be transported with them. The carrier is not liable for their loss or damage unless the passenger proves that the loss or damage was caused by the fault of the carrier or their employees.

The passenger is responsible for any damage caused to the carrier, their employees, or third parties due to the luggage or animals they transport.

The provisions regarding the transport of goods apply to the transport of luggage handed over to the carrier.

Article (270):

If the passenger dies or falls ill during the execution of the transport contract, the carrier is obligated to take the necessary measures to safeguard the passenger's luggage until it is handed over to the concerned parties.

If one of the concerned parties is present at the time of death or illness, they may intervene to oversee the measures taken by the carrier and request a declaration regarding the passenger's luggage in the carrier's possession.



Article (271):

The heirs of the passenger and those who are financially dependent on them may file a liability claim against the carrier to seek compensation for the damage caused to their deceased or dependent family member, whether the death occurred immediately following the accident or after a period of time.

Article (272):

Any claim arising from a transport contract, concerning compensation for the death or bodily injury of the passenger, becomes time-barred after two years from the date of death. In the case of bodily injury, the limitation period starts from the date of the accident.

Any other claim arising from the contract for the transport of persons is time-barred after one year, starting from the specified time of arrival, or, if not specified, from the time it would normally take the carrier to complete the transport under similar circumstances.

The limitation period prescribed in this article cannot be invoked by anyone who has committed fraud or gross negligence, or by their employees.

Book Two: Commercial Obligations and Contracts

Chapter Seven: Transport

Section Three: Agency for Transport Commission

Article (273):

The commission agent for transport is obligated to, on behalf of their principal, enter into a contract for the transport of goods or passengers and, if necessary, perform operations related to the transport.

If the commission agent for transport uses their own means of transport, they are considered a carrier and the provisions of the transport contract apply to them.



Article (274):

Except for the provisions in the following articles, the provisions applicable to the commission agency contract will apply to the transport commission contract.

Article (275):

The principal may cancel the transport request at any time before the agent enters into the transport contract, provided that the principal reimburses the agent for the expenses incurred and compensates them for any work done.

Article (276):

The commission agent for transport must follow the instructions of the principal, especially regarding the time of transport, selection of the carrier, and the route to be followed.

The commission agent for transport may not charge the principal a transport fee greater than what was agreed with the carrier. Any benefits the agent receives from the carrier will benefit the principal unless otherwise specified in the commission agency contract or as per trade custom.

Article (277):

The commission agent for transport guarantees the safety of the passenger or goods being transported, and any agreement to the contrary is void.

Article (278):

From the time the commission agent for transport takes possession of the goods for transport, they are responsible for the total or partial destruction, damage, or delay in delivery. They can only avoid this responsibility by proving force majeure, inherent defects in the goods, or fault on the part of the principal or consignee.



In the case of passenger transport, the commission agent for transport is responsible for delays in arrival and for any physical or non-physical harm suffered by the passenger during the transport contract. The agent may only avoid liability by proving force majeure or fault on the part of the passenger.

Article (279):

Any provision that exempts the commission agent for transport from liability for the total or partial destruction or damage to the goods is void.

Any provision that exempts the agent from liability for bodily harm caused to the passenger is also void.

Any provision that requires the sender or consignee in the transport of goods or the passenger in the transport of persons to pay all or part of the insurance against the liability of the commission agent for transport is considered an exemption from liability. Similarly, any provision where the sender, consignee, or passenger waives their rights to insurance against the risks of the carrier is considered an exemption.

Article (280):

Except in cases of fraud or gross negligence by the commission agent for transport or their employees, or by the carrier or their employees, the commission agent for transport may stipulate:

- Limiting their liability for the total or partial destruction or damage to the goods, provided the agreed compensation is not less than one-third of the value of the goods transported from the place and time of transport. Any agreement to compensate less than this amount must be increased to this value.
- Exemption from liability for non-physical damages caused to the passenger.
- Exemption from liability for delays.



The exemption or limitation of liability clause must be written; otherwise, it will be considered null and void. If the transport commission contract is drafted using printed forms, the clause must be clearly written and in a manner that attracts attention, otherwise, the court may consider it null and void.

Article (281):

Both the principal and the carrier may directly claim rights arising from the transport contract from each other, and similarly, both the passenger or consignee and the carrier may directly claim rights from each other. In all cases, the transport commission agent must be included in the lawsuit.

Article (282):

If the commission agent has paid the transport fee to the carrier, they assume the rights of the carrier in relation to the payment.

Article (283):

The provisions of Articles (254) and (272) of this law shall apply to the statute of limitations for claims arising from the commission agency contract for transport.



Chapter Seven: Transport

Section Four: Specific Provisions for Air Transport

Article (284):

Air transport in this section refers to the transportation of people, luggage, or goods by aircraft for the purpose of making a profit.

The term "luggage" refers to the items that a passenger is allowed to carry with them on the plane and that are handed over to the carrier for safekeeping during the journey. This term does not include small personal items that the passenger retains under their custody during the journey.

Article (285):

The provisions of international agreements in force in Egypt shall apply to international air transport.

The provisions of this section and the specific provisions outlined in the following articles shall apply to domestic air transport.

Air transport is considered domestic if the departure and destination points, as agreed by the contracting parties, are located within Egypt, even if the plane continues its journey beyond Egypt's territorial borders after reaching the destination point.

Article (286):

The air transport document must include a statement indicating that the transport is subject to the limited liability provisions stipulated in Article (292) of this law, otherwise, the carrier may not rely on these provisions.



The air carrier must ensure that passengers aboard the aircraft and the goods they carry or keep during the journey meet the necessary conditions for boarding as prescribed by law and transport regulations.

Article (287):

The air carrier is responsible for damage caused in the event of a passenger's death, injury, or any other bodily harm if the incident that led to the harm occurred while the passenger was under the carrier's or its employees' custody, either at the departure airport, onboard the aircraft, at the arrival airport, or any other airport or place where the aircraft lands voluntarily or in emergency.

Article (288):

The air carrier is responsible for damage caused by the destruction or damage of luggage or goods if the incident that led to the damage occurred during air transport.

Air transport includes the period during which the luggage or goods are under the custody of the carrier or its employees, either at the departure airport, during the flight, or at the arrival airport, or at any other airport or place where the aircraft lands voluntarily or due to emergency.

Air transport does not include the period when the luggage or goods are in road, sea, or river transport outside the airport unless such transport is necessary for loading, delivering, or transferring the goods from one aircraft to another in fulfillment of the air transport contract.

Article (289):

The air carrier is liable for damage resulting from delay in the arrival of the passenger, luggage, or goods.



Luggage or goods that the carrier fails to deliver to the consignee or notify them for collection within 30 days from the date of the agreed delivery time, or from the date when the air carrier would normally complete the transport in similar circumstances, are considered as destroyed.

Article (290):

The air carrier may only deny responsibility by proving force majeure, an inherent defect in the goods, or fault on the part of the sender, consignee, or passenger.

If the air carrier proves one of the issues mentioned in the previous paragraph, the claimant may refute this by providing evidence that the damage did not occur due to the stated reason or that it was not the sole cause of the damage. In the latter case, compensation is reduced by the proportion of damage attributable to the matter proven by the air carrier.

Article (291):

The air carrier is not responsible for small or personal items that remain under the passenger's custody during the journey, unless the passenger proves that the damage or loss was caused by the carrier or its employees.

Article (292):

In the case of passenger transport, the compensation awarded to the air carrier shall not exceed 150,000 Egyptian pounds per passenger unless explicitly agreed to exceed this amount.

In the case of luggage and goods transport, compensation shall not exceed 50 Egyptian pounds per kilogram. However, if the sender declares at the time of handing over the luggage or goods to the carrier that special importance is attached to their delivery due to their value, and pays any additional fees required by the carrier for such special treatment, the carrier is obliged to provide compensation based on the declared value unless the carrier proves that it exceeds the actual value of the goods.

For small or personal items remaining under the passenger's custody during the journey, the compensation per passenger shall not exceed 500 Egyptian pounds.



The air carrier may not rely on the limitation of liability stipulated in this article if it is proven that the damage resulted from an act or omission by the carrier or its employees with the intent to cause harm or with gross negligence.

Article (293):

If a claim for compensation is filed against an employee or agent of the carrier, they may invoke the liability limitations set forth in Article (292) of this law, provided that the act that caused the damage occurred during the performance of their duties.

The carrier's employees or agents may not rely on liability limitations if it is proven that the damage resulted from an act or omission during the performance of their duties with the intent to cause harm or with gross negligence.

The total amount of compensation a claimant can receive from the carrier and its employees or agents shall not exceed the limits set forth in Article (292) of this law.

Article (294):

Any provision that exempts the air carrier from liability or limits it below the limits set forth in Article (292) of this law is void.

Any provision that requires the passenger or consignee to pay all or part of the insurance costs against the air carrier's liability, or any provision that waives the passenger's or consignee's rights to insurance against transport risks, is considered an exemption from liability.

Article (295):

Luggage or goods delivered without reservation result in the loss of the right to claim damages from the carrier for partial destruction or damage unless the passenger or consignee proves the condition of the luggage or goods and files a claim within 90 days of delivery. The provisions of the second and third paragraphs of Article (251) of this law apply in this case.



Article (296):

Any claim arising from an air transport contract for compensation due to the destruction or damage of luggage or goods is time-barred after one year. This period starts from the date the goods were delivered, according to the first paragraph of Article (254) of this law, and in the case of total destruction, it starts from the date the agreed delivery period expires, as stated in the second paragraph of Article (289) of this law.

Any claim arising from an air transport contract for compensation due to the death of a passenger or injury to them is time-barred after two years, starting from the date of death in the case of death, or from the date of the accident in the case of bodily injury.

Any other claim arising from an air transport contract is time-barred after one year, starting from the specified time of arrival of the aircraft. If no time is specified, the period starts from the time the air carrier would normally take under similar circumstances.

The limitation periods set forth in the previous three paragraphs of this article cannot be invoked by anyone who has committed fraud or gross negligence, or by their employees or agents.

Article (297):

If the transport is agreed to be free of charge, the air carrier is not liable unless the claimant proves that the damage resulted from an error on the part of the carrier or its employees or agents. In such cases, the air carrier or its employees or agents may also invoke the limitation of liability provisions of Article 292 of this law.

Transport is considered free of charge if it is without a fee and the carrier is not professionally engaged in transport. If the carrier is a professional transport provider, the transport is not considered free, even if no fee is charged.

Article (298):

The air carrier's liability is limited to the provisions set forth in Article 292 of this law, regardless of the legal basis for the liability claim and regardless of the nature or number of parties involved or the amount of compensation requested.



Article (299):

The captain of the aircraft has authority over all persons aboard.

The captain may decide to remove any person or object from the aircraft if their presence poses a danger to its safety or disturbs the order onboard.

The captain may decide to jettison some or all of the cargo or fuel if necessary, and must notify the aircraft operator as soon as possible. The least valuable items should be thrown out first whenever possible.

The carrier is responsible for the destruction of any items that the captain orders to be jettisoned for the safety of the aircraft.

Part Three: Banking Operations

Article (300):

Notwithstanding the provisions of paragraph 3 of Article (361) of this law, the provisions of this chapter apply to the operations carried out by banks with their clients, whether they are traders or non-traders, and regardless of the nature of these operations.

Part Three: Banking Operations

1. Money Deposit

Article (301):

A money deposit contract grants the bank ownership of the deposited funds and the right to dispose of them in a manner consistent with its activities, while obligating it to return the same amount to the depositor according to the terms of the contract.



Article (302):

The bank opens an account for the depositor in which all transactions between the bank and the depositor or between the bank and third parties on behalf of the depositor are recorded.

Article (303):

A money deposit contract does not grant the depositor the right to withdraw amounts from the deposit account unless the balance of the account is creditable.

If the bank conducts transactions on behalf of the depositor, resulting in a debit balance in the deposit account, the bank must notify the depositor immediately to settle the account.

Article (304):

The bank must send a statement of the account to the depositor at least once a year, unless the agreement or practice specifies more frequent statements. The statement must include a copy of the account after the last settlement, including the balance carried forward.

No request to correct the account will be accepted if it is based on an error or oversight for entries made more than three years ago, unless the depositor informs the bank within that time that they did not receive a statement according to the terms mentioned in the previous paragraph.

Article (305):

The deposit may be withdrawn upon request unless otherwise agreed. The depositor has the right to dispose of the credit balance or any part of it, unless the use of this right is subject to prior notification or a due date.

If the depositor dies, the deposit remains valid under the contract's terms unless the heirs request its withdrawal before the due date.



Article (306):

The transactions related to the account shall take place at the bank branch where the account was opened unless otherwise agreed.

Article (307):

If the depositor holds multiple accounts in one bank or its branches, each account is considered independent from the others.

Article (308):

The bank may open a joint account between two or more persons with equal rights unless otherwise agreed.

A joint account is opened upon the request of all account holders, and withdrawals can only be made with their joint consent unless otherwise agreed.

If one of the joint account holders notifies the bank in writing of a dispute between them, the bank must freeze the account until the dispute is resolved, either amicably or legally.

If a lien is placed on the balance of one of the joint account holders, the lien applies to their share of the balance from the day the bank is notified of the lien. The bank must stop withdrawals from the joint account equivalent to the attached share and notify the account holders or their representatives within five days.

If one of the joint account holders dies or loses legal capacity, the remaining holders must notify the bank within ten days of the death or loss of capacity and express their intention to continue the account. The bank will stop withdrawals until the heirs or guardian are determined.



Article (309):

If a savings book is issued by the bank, the name of the beneficiary must be mentioned in the book, and the book must record deposits and withdrawals. The information in the book, signed by the bank employee, serves as proof of such data in the relationship between the bank and the person for whom the book was issued.

A savings book may be issued in the name of a minor, and both the minor and any other person are entitled to deposit into this book. The minor is only entitled to withdraw from the book in accordance with the provisions of the law.

Part Three: Banking Operations

2. Deposit of Cheques

Article (310):

The bank may not use the rights arising from securities deposited with it, unless otherwise agreed.

Article (311):

The bank must exercise the same care in preserving the deposited securities as a depositary who receives payment. No agreement to the contrary is permissible.

The bank may not relinquish possession of the deposited securities except for a cause that justifies such action.

Article (312):

The bank is obligated to collect the income or profits of the security, its value when due or consumed, as well as any other amount due from the security unless otherwise agreed. These amounts must be credited to the depositor's account.



The bank must carry out all necessary actions to preserve the rights associated with the security that are granted to it without compensation, such as presenting the security for replacement, affixing seals, or adding new dividend coupons to it.

Article (313):

The bank must notify the depositor of any matter or right relating to the security that requires their consent or depends on their choice. If the depositor's instructions are not received in time, the bank must act in a manner that benefits the depositor. The depositor is responsible for the costs, in addition to the usual commission.

Article (314):

The bank is obliged to return the deposited securities as soon as the depositor requests it, taking into account the time required to prepare the securities for return.

The return must be made at the location where the deposit was made, and the bank is required to return the securities themselves unless agreed otherwise or dictated by law, which may require the return of securities of the same kind or other securities.

Article (315):

The return is due to the depositor of the security or their heirs or to anyone they designate, even if it involves confirming ownership by someone else.

If a person claims the right to the deposited security, the bank must immediately notify the depositor and refrain from returning the security until the dispute is resolved by agreement or judgment. The claimant must file their claim within thirty days from the date of the claim, or the claim will be considered null and void.



Part Three: Banking Operations

3. Safe-Deposit Box Lease

Article (316):

Leasing a safe deposit box is a contract in which the bank undertakes, for a fee, to place a specified safe deposit box at the disposal of the lessee for a defined period.

Article (317):

The key to the safe deposit box is delivered to the lessee, while the bank retains another key. No one other than the lessee and the bank may receive a copy of the key.

The key provided to the lessee remains the property of the bank and must be returned at the end of the lease.

The bank may not allow anyone other than the lessee or their authorized agent to use the safe deposit box.

Article (318):

The bank must take the necessary measures to ensure the safety of the safe deposit box and maintain its contents.

The lessee may not place in the safe any items that threaten the safety of the box or the location where it is kept.

If the safe deposit box is at risk or contains dangerous items, the bank must immediately notify the lessee to come and remove the dangerous items. If the lessee does not appear at the appointed time, the bank may request the court to issue an order permitting it to open the box and remove the dangerous items, in the presence of a person appointed by the court. A report shall be made detailing the contents of the box. If there is an immediate danger, the bank, at its own risk, may open the box and remove the dangerous items without prior notice or authorization from the court.



Article (319):

If the lessee fails to pay the rent for the safe deposit box when due, the bank may, after thirty days from the notice of payment, consider the contract terminated automatically and take back the safe deposit box after notifying the lessee to open it and remove its contents.

If the lessee does not appear at the scheduled time, the bank may request the court to issue an order allowing it to open the box and remove its contents in the presence of a person appointed by the court. A report shall be made detailing the contents of the box. The court may order that the contents be deposited with the bank or with a custodian appointed by the court.

Article (320):

The bank has the right to retain the contents of the safe deposit box and has a lien on the proceeds from its sale to recover the rent and any related costs.

Article (321):

A provisional or executive attachment may be placed on the safe deposit box.

The attachment is effected by notifying the bank of the legal document underlying the attachment, with instructions to inform whether the lessee rents a safe deposit box. Upon receipt of this notification, the bank must immediately notify the lessee of the attachment and prohibit the use of the safe deposit box.

If the attachment is provisional, the lessee may request the court to issue an order permitting them to withdraw some of the contents of the safe deposit box in the presence of a person appointed by the court.

If the attachment is executive, the bank is obligated to open the safe deposit box and remove its contents in the presence of the creditor or a person appointed by the court. The lessee must be notified of the time scheduled for opening the safe deposit box and the removal of its contents, which will be handed over to the bank or to a custodian appointed by the execution judge for sale in accordance with the provisions of the Civil and Commercial Procedures Law.



If the box contains documents or papers that are not subject to sale, they must be returned to the lessee. If the lessee is not present at the time of opening the box, they must be delivered to the bank for safekeeping until claimed by the lessee or their heirs. If the lessee or their heirs do not claim the documents within five years, the bank may refer the matter to the court for a decision.

Article (322):

A notice to the lessee of the safe deposit box is considered valid if it is addressed to the last known address provided by the lessee to the bank.

Article (323):

Except in cases explicitly provided for by law, the bank may not open the safe deposit box or remove its contents without the lessee's consent, in their presence, or in compliance with a court judgment or order from the public prosecution.

Part Three: Banking Operations

4. Pledge of Securities

Article (324):

The provisions of commercial pledge law and the following provisions apply to the pledge of securities.



Article (325):

If the secured creditor is in possession of the pledged securities for a reason prior to the pledge, they are deemed to possess them as a pledged creditor once the pledge is created.

A third party designated by the contracting parties to hold the pledged securities is deemed to have waived any prior right to retain them unless they have explicitly retained such a right when accepting possession of the securities on behalf of the secured creditor.

Article (326):

If the pledged securities are provided by someone other than the debtor, the owner is only obligated to settle the debt secured by the pledge in their capacity as a real guarantor.

Article (327):

If the full value of the pledged security has not been paid at the time it is pledged, the debtor must, upon demand for the unpaid portion, provide the creditor with the necessary funds to pay this portion at least two days before the due date. Otherwise, the creditor may request the sale of the security in accordance with the procedures outlined in Article (126) of this law, and the unpaid portion will be paid from the sale proceeds, with the pledge transferring to the remaining amount of the proceeds.

Article (328):

The secured creditor's privilege remains in place between the contracting parties and with respect to third parties over the proceeds from the pledged security, its annexes, its value upon consumption, and any securities that replace it.



Part Three: Banking Operations

5. Bank Transfer

Article (329):

A bank transfer is a process in which the bank records a specific amount on the debit side of the transfer order's account, based on a written order from the account holder, and on the credit side of another account. This process may include:

- Transferring a specific amount from one person to another, each having an account with the same bank or with different banks.
- Transferring a specific amount from one account to another, both held by the same account holder at the same bank or at different banks.

The agreement between the bank and the account holder governs the conditions for issuing the order. However, the transfer order cannot be issued as a bearer instrument.

It may be agreed that the beneficiary will submit the transfer order directly to the bank instead of the account holder providing it.

Article (330):

If a bank transfer occurs between branches of the same bank or between different banks, any objection from a third party regarding the transfer must be submitted to the branch or bank where the beneficiary's account is held.

Article (331):

The transfer order may relate to amounts already credited to the account holder's account or amounts that the bank agrees to credit to the account within a specified period.



Article (332):

The beneficiary acquires ownership of the amount transferred at the time it is credited to the credit side of their account. The account holder may revoke the transfer order until this credit is made.

If it is agreed that the beneficiary will submit the transfer order directly to the bank, the account holder may not revoke the order, in accordance with the provisions of Article 337 of this law.

Article (333):

The debt for which the transfer order was issued remains secured, including its guarantees and attachments, until the value is actually credited to the beneficiary's account.

Article (334):

It may be agreed to postpone the execution of transfer orders issued by the account holder or submitted directly by the beneficiary until the end of the day, to be executed with other orders of the same kind issued on that day.

Article (335):

If the amount provided to settle a transfer order is less than the amount specified in the order, and the order is issued by the account holder, the bank may refuse to execute the order and must immediately notify the account holder.

If the transfer order is submitted directly by the beneficiary, the bank will credit the insufficient amount to the beneficiary's account unless the beneficiary refuses it. The bank must indicate the insufficient amount or the refusal by the beneficiary on the transfer order.

The account holder retains the right to dispose of the insufficient amount if the bank refuses to execute the order or if the beneficiary refuses to credit the insufficient amount to their account.



Article (336):

If the bank does not execute the transfer order on the first working day after its submission, the portion of the order not executed will be treated as if it never existed, and it must be returned to the submitter with a receipt. If a longer period is agreed upon, the unexecuted transfer order must be added to the orders submitted in subsequent days within that period.

Article (337):

If the beneficiary is declared bankrupt, the account holder may object to the execution of the transfer order, even if the beneficiary has received it.

The bankruptcy of the account holder does not prevent the execution of transfer orders issued by them if the orders were submitted to the bank before the bankruptcy judgment was issued.

Part Three: Banking Operations

6. Ordinary Credit

Article (338):

A simple credit is a contract under which the bank makes payment facilities available to the beneficiary up to a certain amount.

The credit may be for a specified or unspecified period.

Article (339):

If the credit is for an unspecified period, the bank may cancel it at any time, provided that the beneficiary is notified at least ten days before the cancellation date, unless otherwise agreed.



In all cases, a credit opened for an unspecified period will be considered canceled after six months from the date the beneficiary was notified of its opening, if not used.

Article (340):

If the credit is for a specified period, the bank may not cancel it before the expiration of that period, except in the case of the beneficiary's death, legal incapacity, cessation of payments, or serious misconduct by the beneficiary in using the credit, even if no bankruptcy judgment has been issued.

Part Three: Banking Operations

7. Letter of Credit

Article (341):

A documentary credit is a contract under which the bank undertakes, based on the request of one of its clients (the applicant), to open credit in favor of another person (the beneficiary) against documents representing movable goods or goods prepared for shipment.

The documentary credit contract is independent of the contract for which the credit is opened, and the bank is not a party to the latter contract.

The provisions of the Uniform Customs and Practice for Documentary Credits issued by the International Chamber of Commerce apply to matters not addressed by specific provisions in this chapter.

Article (342):

The bank that opened the credit is obligated to fulfill the payment, acceptance, and discount conditions agreed upon in the credit opening contract, provided that the documents comply with the terms of the credit.



Article (343):

A documentary credit may be revocable or irrevocable.

The credit is considered irrevocable unless it is expressly agreed that it is revocable.

Article (344):

A revocable documentary credit imposes no obligation on the bank towards the beneficiary. The bank may modify or cancel the credit at any time, on its own initiative or at the request of the applicant, without notifying the beneficiary, unless execution has already occurred.

Article (345):

The bank's obligation in the case of an irrevocable documentary credit is final and direct towards the beneficiary and any good faith holder of the document drawn in execution of the contract for which the credit was opened.

An irrevocable documentary credit cannot be canceled or amended except by agreement among all parties involved.

Article (346):

An irrevocable documentary credit may be confirmed by another bank, which will undertake the same final and direct obligation towards the beneficiary.

Merely notifying the beneficiary of the opening of an irrevocable documentary credit by another bank does not constitute confirmation by that bank.



Article (347):

The bank must verify that the documents comply with the instructions of the applicant in opening the credit.

If the bank rejects the documents, it must immediately notify the applicant of the rejection, stating the reasons.

Article (348):

The bank is not liable if the documents, on their face, comply with the instructions it received from the applicant.

The bank is not responsible for any obligations related to the goods for which the credit was opened.

Article (349):

A documentary credit may not be transferred or divided unless the bank that opened it is authorized to transfer all or part of it to another person or persons other than the original beneficiary based on instructions from the beneficiary. The transfer is only valid if the bank agrees to it and may only be done once, unless otherwise agreed.

Article (350):

If the applicant fails to pay the bank the value of the documents that comply with the terms of the credit within six months from the date they are notified of their arrival, the bank may execute on the goods by following the procedures for executing commercial pledge items.



Part Three: Banking Operations

8. Discounting

Article (351):

A discount is an agreement under which the bank undertakes to advance the value of a negotiable instrument to the beneficiary in exchange for transferring its ownership to the bank, with the beneficiary committing to return the nominal value to the bank if the original debtor does not pay it.

The bank may deduct a percentage of the instrument's amount as a fee, in addition to any commission agreed upon.

Article (352):

The percentage is calculated based on the period from the discount date to the instrument's maturity date or based on a longer period in the case of pledge operations and other operations involving the beneficiary's commitment to repay what was received before the maturity of the instrument.

Article (353):

The beneficiary is obligated to return to the bank the nominal value of the instrument that was not paid.

Article (354):

The bank has the right to claim from the original debtor, the beneficiary, and any other obligors all rights arising from the discounted instrument.



In addition, the bank has an independent right to recover the amounts it paid, without deducting the percentage or commission it collected, and may exercise this right within the limits of unpaid instruments, regardless of the reason for non-payment.

Part Three: Banking Operations:

9. Letter of Guarantee

Article (355):

A guarantee letter is a written undertaking issued by the bank, based on the request of a person (the applicant), to pay a specific or determinable amount to another person (the beneficiary) upon their request, during the specified period in the letter, without regard to any opposition.

In the absence of specific provisions or practices in this chapter, the rules and customs governing international guarantee letters apply.

Article (356):

The bank may require security for issuing the guarantee letter, which may consist of cash, bonds, goods, or an assignment of the applicant's rights against the beneficiary.

Article (357):

The beneficiary may not assign their right under the guarantee letter without the bank's consent, and the bank must be authorized by the applicant to give this consent.



Article (358):

The bank may not refuse to pay the beneficiary for reasons related to the bank's relationship with the applicant or the applicant's relationship with the beneficiary.

Article (359):

The bank is discharged from its obligation to the beneficiary if, during the validity period of the guarantee letter, it does not receive a request from the beneficiary for payment, unless it is expressly agreed to automatically renew the validity period or the bank agrees to extend it.

The bank is obliged to return to the applicant, at the end of the validity period of the guarantee letter, any security provided for obtaining the letter.

Article (360):

If the bank pays the beneficiary the agreed amount under the guarantee letter, it may seek reimbursement from the applicant for the amount paid, along with any interest from the date of payment.

Part Three: Banking Operations

10. Current Accounts

Article (361):

A current account is a contract in which two parties agree to record, in a single account through mutual and overlapping payments, the debts arising from the transactions between them, so that these debts are settled in one final settlement upon the closing of the account.

A current account is not considered as such if it is agreed that one party's payments will only start after the other party's payments have been completed.



The provisions of this section apply to every current account, even if one of the parties is not a bank.

The provisions of Article (308) of this law apply to a joint current account opened with a bank.

Article (362):

The individual entries recorded in the current account may not be divided before the account is closed and the balance is extracted.

Offsetting between individual entries within the same account is not permissible.

Article (363):

The recording of a debt in the current account does not prevent the exercise of rights related to the transaction that created that debt.

Article (364):

If an entry in the current account is canceled or its amount reduced due to a subsequent event after it was recorded, the entry must be canceled or reduced, and the account must be adjusted accordingly.

Article (365):

The account may be temporarily suspended during its operation to ascertain the position of each party at times agreed upon by the parties or specified by law. Each party may use their credit balance, which may appear upon temporary suspension, at any time unless otherwise agreed.



Article (366):

Payments in the current account do not generate interest unless otherwise agreed. Interest is calculated according to the rate applied by the central bank at the time of its maturity, unless a lower rate is agreed upon.

Interest may not be calculated on interest unless the current account is between a bank and another party.

Article (367):

All debts arising from business relationships between the two parties to the current account must be recorded in the account, unless these debts are secured by legal or contractual guarantees.

However, debts secured by contractual guarantees, whether provided by the debtor or a third party, may be recorded in the current account if all parties agree. In this case, the security will transfer to cover the balance of the current account upon its closure, equal to the amount of the secured debt, regardless of changes to the account during its operation, unless otherwise agreed. The transfer of the security to the balance of the account cannot be claimed against third parties unless it has been publicly registered if required by law.

Article (368):

If the entries in the current account involve debts in different currencies or valuable assets, the parties may agree to include them in the account, provided that they are recorded in separate sections, with the consistency of payments in those sections maintained, and both parties agree that the account remains unified despite its multiple sections.

The balances of the separate sections must be transferable between them, so that, at the time specified by the parties or upon the closure of the account, an offset can be made between them to extract a single balance.



Article (369):

If a term is specified for the current account, the account must be closed at the end of that term. The account may also be closed before the term ends by mutual agreement of the parties.

If no term is specified for the current account, either party may close the account at any time, subject to the agreed notification period or the customary practices.

In all cases, the current account is closed upon the death of either party, the declaration of bankruptcy, insolvency, or legal incapacity of a party.

Article (370):

The balance of the current account is determined at the time of its closure. The balance is immediately due unless otherwise agreed or if some transactions that must be recorded in the account are still pending and would affect the balance. In such cases, the balance will become due the day after the last entry required by those transactions.

Article (371):

If the current account is opened between a bank and another party, the account is considered closed at the end of the bank's financial year, but this closure does not terminate the account.

The account remains open, and its balance is carried over to the same account, which resumes its activity on the next day.

Article (372):

The general rules regarding the limitation period for the balance debt and its interest apply. Interest is calculated on the balance debt from the date the account is closed unless otherwise agreed.



Article (373):

A creditor of either party to the account may place an attachment on the debtor's credit balance at the time of attachment. In such a case, the party holding the account must prepare a temporary balance to reveal the debtor's position at the time of attachment.

Article (374):

If either party to the current account becomes bankrupt, a pledge on their property created after the date set by the court for cessation of payments to secure the potential balance debt cannot be enforced against the creditors in the bankruptcy, limited to the debtor's balance at the time the pledge was created. The pledge can be enforced for any difference, if any, between this balance and the balance at the time the account is closed, unless the creditor knew at the time the pledge was created that the debtor had ceased payments.

Article (375):

If the proceeds from the discounting of a negotiable instrument are recorded in the current account, and the value of the instrument is not paid by its due date, the party who discounted the instrument, even after the bankruptcy of the party who presented it for discounting, may reverse the entry by making a reversing entry.

Reversing entries can only be made concerning negotiable instruments whose value was not paid by the due date, and any agreement contrary to this is void.

Article (376):

A claim to correct the current account cannot be filed, even if the request is based on an error, omission, or repetition of entries, regarding entries made more than three years ago unless, within this period, one party notified the other party of its insistence on correcting the account or if it is not proven that the client did not receive an account statement from the bank during the mentioned period.



In all cases, the claim expires five years from the day the right to correct the account arises.

Article (377):

If the current account is opened with a bank, the bank may not disclose information about the account number, transactions, or balance except to the account holder, their authorized agent, heirs, or beneficiaries after death, or in accordance with the provisions of Law No. 205 of 1990 regarding the confidentiality of accounts.

Part Four: Commercial Papers

Article (378):

The provisions of this chapter apply to promissory notes, bills of exchange, checks, and other commercial papers, regardless of the status of the parties involved or the nature of the transactions for which they were created.



Part Four: Commercial Instruments

Chapter One: Bill of Exchange

1. Issuance

Article (379):

A bill of exchange shall contain the following particulars:

- The word “Bill of Exchange” written in the body of the instrument and in the language in which it is drawn.
 - An unconditional order to pay a specified sum of money.
 - The name of the person who is to pay (the drawee).
 - The maturity date.
 - The place of payment.
 - The name of the person to whom payment is to be made, or to whose order it is to be made (the payee/beneficiary).
 - The date and place of issue of the bill of exchange.
 - The signature of the person who issues the bill of exchange (the drawer), in a legible manner.
-



Article (380):

An instrument that lacks any of the particulars stated in Article (379) of this Law shall not be deemed a bill of exchange, except in the following cases:

- If the bill of exchange does not state the maturity date, it shall be deemed payable at sight.
 - If it does not state the place of payment, the place indicated next to the drawee's name shall be deemed the place of payment and, at the same time, the drawee's domicile.
 - If it does not state the place of issue, it shall be deemed issued in the place indicated next to the drawer's signature.
-

Article (381):

A bill of exchange may be drawn to the order of the drawer himself.

It may also be drawn on the drawer.

It may also be drawn for the account of another person.

Article (382):

A bill of exchange may be made payable at the domicile of a third party, whether in the locality where the drawee is domiciled or in any other locality.

Article (383):

The drawer of a bill of exchange payable at sight, or at a specified period after sight, may stipulate interest in addition to the sum stated therein.

Any such stipulation in other bills of exchange shall be deemed as if not written.

The interest must be stated in the bill of exchange; failing which, the stipulation shall be deemed as if not written.



Interest shall accrue from the date of issue of the bill of exchange unless another date is agreed.

Article (384):

If the amount of the bill of exchange is written both in words and in figures, and there is a discrepancy, the amount written in words shall prevail.

If the amount is written several times in words or in figures, and there is a discrepancy, the lowest amount shall prevail.

Article (385):

Obligations arising from the signatures on a bill of exchange made by persons of limited capacity who are not traders, and by persons lacking legal capacity, whether as drawers, acceptors, avalists (guarantors), or in any other capacity, shall be void only as against them.

Article (386):

Where a bill of exchange bears signatures of persons lacking capacity to be bound thereby, or forged signatures, or signatures of fictitious persons, or signatures that are not binding for other reasons upon their purported signatories or upon the persons in whose names the bill of exchange was signed, the obligations of the other signatories shall nevertheless remain valid.

Article (387):

The form of obligations arising under a bill of exchange shall be governed by the law of the state in which it was issued.



However, if an obligation is invalid as to form under the law referred to in the preceding paragraph, but is valid as to form under Egyptian law, its formal defect shall not affect the validity of subsequent obligations arising under the bill of exchange in Egypt.

Article (388):

The capacity of a person bound under a bill of exchange shall be determined by the law of the state whose nationality he holds.

If the applicable law deems the person bound under the bill of exchange to be of limited capacity, his obligation shall nevertheless remain valid if he signed the bill of exchange in a state whose law considers him to have full capacity.

Article (389):

Any person who signs a bill of exchange on behalf of another without authority shall be personally bound under the bill of exchange; if he pays it, the rights that would have accrued to the person on whose behalf he purported to act shall pass to him.

This rule shall also apply to an agent who exceeds the limits of his authority.

Article (390):

The drawer of a bill of exchange guarantees its acceptance and payment.

He may stipulate that he is released from the guarantee of acceptance; however, any stipulation releasing him from the guarantee of payment shall be deemed as if not written.



Part Four: Commercial Papers

Chapter One: The Promissory Note

2. Endorsement

Article (391):

Every promissory note, even if it does not explicitly state that it is payable to order, may be transferred by endorsement.

A promissory note in which the drawer includes the phrase "not for order" or any other phrase indicating this meaning cannot be transferred by endorsement, but can only be assigned by the procedures for assignment of rights as stipulated in the Civil Code, with the consequences arising from such an assignment.

Endorsement may be made to the drawee, whether they have accepted the note or not, and may also be made to the drawer or to any other obligor, all of whom have the right to endorse the promissory note again.

Article (392):

The endorsement must not be conditional. Any condition attached to the endorsement is considered void.

Partial endorsements are void.

An endorsement made "to bearer" is considered an endorsement in blank.

Article (393):

The endorsement must be written on the promissory note itself or on an attached document ("stub") and must be signed by the endorser.



It is permissible not to mention the name of the endorsee in the endorsement, or to limit the endorsement to the signature of the endorser (endorsement in blank). In the latter case, the endorsement is valid only if written on the back of the promissory note or on the stub.

Article (394):

Endorsement transfers all rights arising from the promissory note.

If the endorsement is in blank, the holder may:

- Fill in the blank by writing their name or the name of another person.
 - Endorse the note again in blank or to another person.
 - Deliver the promissory note to another person without filling in the blank, even if it is not endorsed.
-

Article (395):

The endorser guarantees the acceptance and payment of the promissory note unless otherwise agreed.

The endorser may prohibit further endorsements, in which case they are not liable to any subsequent holders of the note due to subsequent endorsements.

Article (396):

The holder of the promissory note is deemed the lawful holder if they can prove they have the right to the note through a continuous chain of endorsements, even if the last endorsement is in blank. Any crossed-out endorsements are considered as if they never existed. If an endorsement in blank is followed by another endorsement, the signer of that second endorsement is considered to have acquired the right to the note through the blank endorsement.



If a person loses possession of the promissory note, they are not obligated to give it up to the holder if they can prove their right to it as outlined above, unless they obtained it in bad faith or committed a serious error in obtaining it.

Article (397):

Notwithstanding the provisions of Article (385) of this law, a party against whom a claim is made based on a promissory note may not raise defenses based on personal relations with the drawer or prior holders of the note, unless the holder's intention at the time of acquiring the note was to harm the debtor.

Article (398):

If the endorsement contains the phrase "value for collection," "value for payment," "for agency," or any other phrase indicating an agency, the holder may exercise all rights arising from the promissory note but may only endorse it as an agent.

In such a case, the obligors may only raise defenses against the holder that they could raise against the endorser.

The agency established by the endorsement does not terminate upon the death of the principal or their legal incapacity.

Article (399):

If the endorsement contains the phrase "value for guarantee" or "value for pledge," or any other phrase indicating a pledge, the holder may exercise all rights arising from the promissory note. However, if the note is endorsed, the endorsement is deemed to be for agency purposes.

The obligors on the promissory note may not raise defenses against the holder based on their personal relationship with the endorser unless the holder's intention at the time of acquiring the note was to harm the debtor. The holder's protection in this case is limited to the debt secured by the pledge.



Article (400):

An endorsement after the maturity date produces the effects of prior endorsements, while an endorsement after the non-payment protest produces only the effect of an assignment of rights.

An endorsement without a date is presumed to have occurred before the deadline for the protest unless proven otherwise.

Part Four: Commercial Papers

Chapter One: The Promissory Note

3.Consideration for Payment

Article (401):

The drawer of the promissory note or the person for whose account it was drawn must ensure that there are sufficient funds available with the drawee for its payment. The drawer is liable to the endorsers and the holder, but not to others, for ensuring the payment.

Article (402):

The consideration for payment is considered to exist if, on the maturity date of the promissory note, the drawee owes the drawer or the ordered a sum of money that is due and equal to or greater than the amount of the note.

Article (403):

The acceptance of the promissory note is presumed to be evidence that the drawee has sufficient funds for payment. This presumption cannot be disputed in the relationship between the drawee and the holder.



It is the drawer's responsibility to prove, in the event of a dispute, whether or not the drawee had sufficient funds for payment on the maturity date. If the drawer fails to prove this, they are liable for payment, even if the protest was made after the legally required time. If the drawer proves that the funds existed and remained available until the time the protest should have been made, they are discharged from liability to the extent of those funds unless the funds were used for their benefit.

Article (404):

The ownership of the consideration for payment automatically transfers to the successive holders of the promissory note.

If the consideration for payment is less than the value of the promissory note, the holder has all the rights over this partial consideration as they would have over the full consideration. This applies even if the consideration for payment is a disputed debt or not due at the time the note matures.

Article (405):

The drawer, even if the protest was made after the legally required time, must deliver to the holder the necessary documents to obtain the consideration for payment. If the drawer becomes bankrupt, the trustee in bankruptcy must fulfill this obligation.

Article (406):

If the drawer becomes bankrupt, even before the maturity of the promissory note, only the holder and no other creditors of the drawer has the right to recover the payment from the available funds held by the drawee.



Article (407):

If the drawee becomes bankrupt and the consideration for payment is a debt owed to the drawer, that debt becomes part of the bankruptcy estate.

If the drawer has goods, commercial papers, securities, or other assets with the drawee that are specifically designated for the payment of the promissory note, the holder has priority over other creditors in recovering their debt from the value of these assets.

Article (408):

If multiple promissory notes are drawn on the same consideration for payment and it is insufficient to cover all, the order of the dates of the notes must be followed regarding the rights of the holders to recover their debts from the available consideration. The holder of the earliest note will have priority over others.

If the promissory notes are drawn on the same date, the note bearing the drawee's acceptance will take priority.

If no note bears the drawee's acceptance, the note allocated to the consideration will take priority.

Notes containing a clause of non-acceptance will be placed last in priority.



Part Four: Commercial Papers

Chapter One: The Promissory Note

4. Acceptance

Article (409):

The holder of the promissory note and any subsequent holder may present it to the drawee for acceptance at their place of residence before the maturity date.

Article (410):

The drawer may specify a period for presenting the note for acceptance, or may leave it unspecified.

The drawer may also stipulate that the note should not be presented for acceptance, but this condition cannot apply if the note is due at a place other than the drawee's place of residence or if it is payable after a certain period from sight.

The drawer may also stipulate that the note should not be presented for acceptance before a specified date.

Each endorser may also stipulate a period for presenting the note for acceptance, or leave it unspecified, unless the drawer has already stipulated that it should not be presented for acceptance.

Article (411):

A promissory note that is payable a certain time after sight must be presented for acceptance within one year from the date it was issued.

The drawer may shorten or lengthen this period.



Any endorser may shorten this period.

Article (412):

The drawee may request the presentation of the note for acceptance again on the following day after its first presentation. No party with a vested interest may claim that the request was refused unless it is mentioned in the protest.

The holder of the note is not required to surrender the note to the drawee when presented for acceptance.

Article (413):

The acceptance must be written on the promissory note itself, with the word "Accepted" or any equivalent phrase, and must be signed by the drawee.

The mere signature of the drawee on the face of the promissory note constitutes acceptance.

If the note is payable a certain time after sight or is subject to a specific period for acceptance, the date of acceptance must be indicated on the note, except when the holder requires the date of acceptance to be recorded on the day the note is presented.

Article (414):

The acceptance must not be conditional. However, the drawee may limit the acceptance to part of the amount of the note.

Any other modification to the details of the note in the acceptance form is considered a rejection of the acceptance. However, the drawee is still bound by the terms of the acceptance as written.



Article (415):

If the drawer specifies a place of payment for the promissory note other than the drawee's place of residence, without naming the person who should receive payment, the drawee may designate this person at the time of acceptance. If they fail to do so, the drawee is considered bound to pay at the place of payment.

If the note is due at the drawee's place of residence, they may designate a different address in the same locality for payment at the time of acceptance.

Article (416):

If the drawee accepts the promissory note, they are obligated to pay its value on the maturity date.

If payment is not made, the holder, even if they are the drawer, may directly claim the amount due from the drawee under the promissory note as stipulated in Articles 443 and 444 of this law.

Article (417):

If the drawee cancels their written acceptance on the promissory note before returning it, the acceptance is considered rejected, and the cancellation is presumed to have occurred before the note was returned unless proven otherwise.

However, if the drawee notifies the holder or any other endorser in writing of their acceptance, the drawee is bound by that acceptance.



Part Four: Commercial Papers

Chapter One: The Promissory Note

5. Suretyship

Article (418):

The payment of the whole or part of the amount of a promissory note may be guaranteed by a surety.

This guarantee may be provided by any person, including those who have signed the promissory note.

Article (419):

The suretyship must be written on the promissory note or on a separate stub.

The suretyship is indicated by the phrase "for surety" or any other phrase that conveys this meaning, and must be signed by the surety.

The suretyship is inferred from the mere signature of the surety on the face of the promissory note unless the signature is from the drawee or the drawer.

The name of the person being guaranteed must be mentioned in the suretyship, or else it will be considered as guaranteed for the drawer.

Article (420):

The surety is bound in the same manner as the person they are guaranteeing.

The surety's obligation is valid even if the obligation they guaranteed is void for reasons other than a defect in form.



If the surety pays the promissory note, they acquire the rights arising from the note against all other obligors under the note in favor of the guaranteed party.

Part Four: Commercial Papers

Chapter One: The Promissory Note

6. Maturity

Article (421):

A promissory note may be made payable:

- On sight.
- A certain period after sight.
- A certain period after its issue date.
- On a specific date.

Promissory notes containing maturity dates not specified in the previous paragraph, or containing successive maturity dates, are void.

Article (422):

A promissory note payable on sight is due for payment as soon as it is presented. It must be presented for payment within one year from the date of issuance. The drawer may shorten or extend this period, and endorsers may shorten it.

The drawer may stipulate that the note should not be presented for payment before a certain date. In such a case, the presentation period will begin from that date.



Article (423):

The maturity of a promissory note payable after a certain period from sight begins from the date of acceptance or from the date of protest.

If no protest is made, the acceptance is considered to have occurred on the last day of the period allowed for presenting the note for acceptance.

Article (424):

A promissory note drawn for one or several months from its issue date or from the date of sight is due on the corresponding date in the month when it is due for payment. If no corresponding date exists in that month, the maturity is on the last day of the month.

If the note is drawn for a month and a half or for several months and a half from the issue date or from the date of sight, the months must be counted as full months.

If the maturity is at the beginning, middle, or end of the month, the intended date is the first, fifteenth, or last day of the month, respectively.

The phrase "half a month" means fifteen days.

Article (425):

If the promissory note is due on a specific date and in a place where the calendar is different from the calendar of the place where it was issued, the maturity date is determined according to the calendar of the place of payment.

If the note is drawn between places with different calendars and is due a certain period after its issue date, the issue date is adjusted to the corresponding date in the calendar of the place of payment, and the maturity is determined accordingly.

The period for presenting the promissory note is calculated in accordance with the rules above.

These provisions do not apply if the terms of the promissory note or its data indicate an intention to follow other provisions.



Part Four: Commercial Papers

Chapter One: The Promissory Note

7. Payment

Article (426):

The holder of a promissory note payable on a specific date or after a certain period from its issue date or from sight must present it for payment on its maturity date or within the two next working days.

Presentation of the promissory note to an officially recognized clearinghouse is considered equivalent to presenting it for payment.

Article (427):

If the drawee pays the promissory note, they may recover it from the holder, with a notation confirming payment.

The holder may not refuse partial payment.

If the payment is partial, the drawee may request that it be noted on the promissory note and that a receipt be provided.

The drawer, endorsers, and others liable under the promissory note are discharged to the extent of the amount paid, and the holder must make a protest for the unpaid portion.

Article (428):

The holder of the promissory note is not required to accept payment before the maturity date.

If the drawee pays before the maturity date, they bear the consequences of this.



Payment of the promissory note on the maturity date without valid protest discharges the drawee from liability unless there was fraud or gross negligence. The drawee must ensure the proper sequence of endorsements but is not obligated to verify the authenticity of the endorser's signatures

Article (429):

If the amount of the promissory note is denominated in a foreign currency, the currency must be one with an officially recognized exchange rate. The payment must be made in Egypt in this currency unless the note stipulates that it may be paid in the equivalent in local currency based on the exchange rate on the maturity date or the selling rate or the closing rate of the Egyptian Central Bank. If the Egyptian Central Bank does not announce an exchange rate for the note's currency, payment should be made based on the banknote exchange rate. If payment is not made on the maturity date, the holder may choose to claim the note's amount either in local currency based on the rate on the maturity date or on the date of payment.

If the amount of the promissory note is denominated in a currency with a common name and its value differs between the country of issuance and the country of payment, it is presumed that the currency of the place of payment is intended.

Article (430):

If the promissory note is not presented for payment on the maturity date, any debtor may deposit its amount in the court's safe at the place of payment. The deposit is made at the holder's expense and responsibility.

The court clerk will issue a document stating the amount deposited, the date of the note's issuance, the maturity date, and the name of the original payee.

If the holder demands payment from the debtor, the debtor must provide the deposit document to the holder in exchange for the note, with a notation confirming payment under the deposit document, and the holder may receive the amount from the court clerk based on this document. If the debtor does not provide the deposit document to the holder, they must pay the note's value to the holder.



Article (431):

A challenge to the payment of a promissory note is only acceptable in cases of loss or the bankruptcy or legal incapacity of the holder.

Article (432):

If an unaccepted promissory note is lost and it has been issued in multiple copies, the rightful payee may claim payment based on one of the other copies.

If the promissory note was issued in multiple copies and the copy bearing the acceptance is lost, payment may not be claimed based on any other copy except by order of the competent court and with the provision of a guarantee.

Article (433):

The owner of a lost promissory note, whether accepted or unaccepted, who is unable to present any other copies, may request a court order for payment, provided that they prove ownership of the note and provide a guarantor.

Article (434):

If the promissory note is lost and payment is withheld after a request in accordance with the provisions of Articles 432 and 433, the owner must ensure their rights are preserved by submitting a protest on the day after the maturity date and notifying the drawer and endorsers in the manner and within the times stipulated in Article 440 of this law.

The protest must be made within the mentioned time even if obtaining a court order is not possible within the required period.



Article (435):

The owner of a lost promissory note may obtain a copy of it by approaching the last endorser. This endorser is required to assist and allow the owner to use their name in claiming the note from the previous endorser. The owner can pursue the claim from one endorser to another until reaching the drawer.

Each endorser is required to write their endorsement on the copy of the note provided by the drawer, with a notation indicating it is a substitute for the lost note.

A claim for payment based on this copy may only be made by court order and with the provision of a guarantor.

All expenses related to the lost promissory note are the responsibility of its owner.

Article (436):

Payment of the promissory note on the maturity date, based on a court order in the cases mentioned in the previous articles, discharges the debtor from liability.

Article (437):

The surety's obligation mentioned in Article 432(2), Articles 433, and 435 of this law expires after three years if no claim or lawsuit has been filed during that period.



Part Four: Commercial Papers

Chapter One: The Promissory Note

8. Recourse

Article (438):

The holder of a promissory note, if not paid on the maturity date, may claim from the endorsers, drawer, and others liable under the note.

The holder may claim before the maturity date in the following cases:

- Complete or partial refusal of acceptance.
 - Bankruptcy of the drawee, whether or not they accepted the note, or their cessation of payments, even if no judgment has been issued, or if a non-productive attachment has been made on their assets.
 - Bankruptcy of the drawer of a promissory note subject to the condition of non-presentation for acceptance.
-

Article (439):

The final text of the article as amended by Article 1 of the Erratum - Correction of Error for the year 1999 regarding the correction of a mistake in Law No. 17 of 1999 concerning the Commercial Code, published on 27/09/1999 in the Official Gazette, Issue 38 (B).

The refusal to accept a bill of exchange or its non-payment is evidenced by a protest for non-acceptance or a protest for non-payment.

The protest for non-acceptance must be made within the specified time for presenting the bill of exchange for acceptance. If the first presentation for acceptance, according to the first paragraph of Article 411 of this Law, occurs on the last day of the period for presentation, the protest may be made on the following day.



The protest for non-payment must be made for a bill of exchange due on a specific day or after a certain period from the date of issuance or from the date of sight, within the four working days following the due date. If the bill of exchange is payable on demand, the protest for non-payment must be made in accordance with the conditions specified in the previous paragraph regarding the protest for non-acceptance.

The protest for non-acceptance suffices in lieu of presenting the bill of exchange for payment and making a protest for non-payment.

In the event that the drawee stops payment, whether the bill of exchange is accepted or not, or if an ineffective attachment is placed on their assets, the holder of the bill may not pursue the guarantors unless the bill is presented to the drawee for payment and a protest for non-payment has been made.

In the event of the drawee's bankruptcy, whether the bill of exchange is accepted or not, or in the event of the drawer's bankruptcy where the condition is not to present the bill for acceptance, the issuance of a bankruptcy judgment is sufficient for the holder to exercise their rights to pursue the guarantors.

Article (440):

The holder of the bill of exchange must notify the endorsee and the drawer of its non-acceptance or non-payment within four working days following the day of the protest or the day of presentation for acceptance or payment if it includes a return-without-expense clause.

Each endorser must notify the person from whom they received the bill within two working days after receiving the notification, indicating the names and addresses of the previous notifiers, continuing in this manner up to the drawer. The period for each endorser starts from the date they received the notification from the previous endorser.

When one of the signatories on the bill is notified according to the previous paragraph, they must also notify their own guarantor within the same time frame.

If one of the endorsers fails to indicate their address or does so in a vague or unreadable manner, it is sufficient to notify the previous endorser.



The required notification must be done by registered letter, telegram, telex, fax, or any other means, including returning the bill itself. Proof of the notification must be made within the prescribed time. The time limit is considered met if the registered letter or telegram is delivered to the postal or telegraphic authority within the specified time.

The rights of the person required to notify are not forfeited if the notification is not made within the specified time. However, they are liable to compensate for any damage resulting from the delay, provided that the compensation does not exceed the value of the bill of exchange.

Article (441):

The drawer, any endorser, or any guarantor may exempt the holder from the requirement of making a protest for non-acceptance or non-payment when exercising their right to pursue the bill, if they have written a clause on the bill stating “return without expenses,” “without protest,” or any other clause conveying this meaning, and signed it.

This clause does not exempt the holder from presenting the bill within the prescribed time or from making the necessary notifications. The burden of proof lies with the party asserting that the holder did not comply with these time limits.

If the drawer wrote the “return without expenses” clause, its effects apply to all signatories. If the clause was written by an endorser or a guarantor, its effects apply only to that person.

If the drawer included the clause and the holder made a protest, the drawer alone bears the costs. If the clause was included by an endorser or guarantor, the holder may pursue all other signatories for the protest expenses.

Article (442):

The persons obligated under the bill of exchange are jointly liable to the holder.

The holder may pursue these obligors individually or collectively without having to follow the order of their obligations.



This right is established for each signatory to the bill if they paid the amount.

A lawsuit filed against one obligor does not prevent pursuing the remaining obligors, even if they are subsequent to the obligor who was initially sued.

Article (443):

The holder of the bill of exchange may claim from the person who is liable to them the following:

- The original amount of the bill of exchange that was not accepted or paid, along with the agreed interest.
- The interest calculated according to the rate of the central bank starting from the due date.
- The protest, notification, stamp duty, and other expenses.
- In cases of pursuing before the due date of the bill, the discount rate applied by the central bank at the time of pursuing in the location where the holder resides must be deducted from the value of the bill.

Article (444):

The person who paid the bill of exchange may claim the following from their guarantors:

- The amount they paid.
- The interest on this amount calculated from the day of payment, according to the rate of the central bank.
- The expenses they incurred.



Article (445):

Any obligor who is pursued for the bill of exchange in the event of pursuing rights may request the delivery of the bill to them along with the protest and a receipt for the amount paid.

Any endorser who pays the bill may strike out their endorsement and any subsequent endorsements.

Article (446):

In the case of partial payment, the person who paid the non-accepted portion of the bill may request evidence of this payment on the bill and be given a receipt for it. Additionally, the holder must provide them with a certified copy of the bill, signed by the holder, and deliver the protest to enable them to pursue their rights to recover from others.

Article (447):

The rights of the holder of the bill of exchange against endorsers, the drawer, and other obligors, excluding the drawee, expire after the following time limits:

- The presentation of bills of exchange due on demand or after a specified period of sight.
- The protest for non-acceptance or non-payment.
- The presentation of the bill for payment when it includes a return-without-expenses clause.

However, the drawer may only benefit from this expiration if they prove that the funds for payment were made available on the due date. In this case, the holder may only pursue the drawee.

If the bill was not presented for acceptance within the time prescribed by the drawer, the holder loses their rights to pursue the drawer or endorsers for non-acceptance or non-payment, unless it is evident from the clause that the drawer only intended to relieve themselves from the acceptance guarantee.



If the endorser set a time limit for presenting the bill for acceptance, they alone may benefit from this condition.

Article (448):

If force majeure prevents the presentation of the bill of exchange or the making of a protest within the prescribed time, these time limits are extended.

The holder must immediately notify the person from whom they received the bill of the force majeure and must document this notification, dating and signing it on the bill or in the receipt. Notifications shall continue according to Article (440) of this law.

After the force majeure event ends, the holder must present the bill for acceptance or payment without delay and make a protest if necessary.

If the force majeure continues for more than thirty days from the due date, the holder may pursue the obligors without the need to present the bill or make a protest.

If the bill is payable on demand or after a specified period from the time of sight, the thirty-day period will be counted from the date the holder notified the endorsee of the force majeure, even if this date falls before the end of the prescribed time for presenting the bill. The thirty-day period will be extended by the period of sight if applicable.

Events related to the person of the holder or their representative are not considered force majeure.

Article (449):

The holder of a bill of exchange for which a protest for non-payment has been made may file a precautionary attachment without guarantee on the assets of the drawer, drawee, endorser, or any other person liable on the bill, in accordance with the provisions of the Civil and Commercial Procedures Law. The judge may order the precautionary attachment without guarantee upon submission of the original bill of exchange along with the protest for non-payment.



Part Four: Commercial Instruments

Chapter One: Bill of Exchange

9.Intervention: First: General Provisions

Article (450):

The drawer, endorser, or any guarantor of the bill of exchange may appoint a person to accept the bill or to pay its value when due.

The bill may be accepted or paid by a third party, even if the drawee is not an accepting party, and the intervention must benefit any debtor for whom the right of recourse is applicable. This is subject to the conditions specified in the following articles.

The intervening party may be a third person, even if the drawee is not an acceptor, and the intervening party may be any person obligated by the bill, except the drawee who has accepted the bill.

The intervening party must notify the person on whose behalf the intervention was made within two working days. Otherwise, the intervening party will be liable for any damages caused by their delay, provided the compensation does not exceed the value of the bill of exchange.



Part Four: Commercial Instruments

Chapter One: Bill of Exchange

9. Intervention: Second: Acceptance of Intervention

Article (451):

Intervention acceptance is permissible in all cases where the holder of a bill of exchange, which is subject to acceptance, has the right to recourse before its due date.

If the bill of exchange specifies a person to accept or pay it at the place of payment, the holder may not seek recourse against that person or subsequent signatories before the due date unless the bill is presented to the appointed acceptor or payer and they refuse to accept it. The holder must document this refusal by a protest.

In other cases, the holder may refuse the intervention acceptance. If the holder accepts the intervention, the holder loses their right to recourse against the intervening person or subsequent signatories before the bill's due date.

Article (452):

The intervention acceptance must be noted on the bill of exchange, signed by the intervening party, and must specify the name of the person for whom the intervention was made. If this specification is omitted, the intervention will be deemed to have benefited the drawer.

Article (453):

The intervening acceptor is obligated to the holder of the bill of exchange and any subsequent endorsers for the same obligations as the person for whom the intervention was made.

Even after intervention acceptance, the person for whom the intervention was made and their guarantors may require the holder to deliver the bill of exchange, the protest, and a receipt for the amounts as specified in Article 443 of this Law.



Part Four: Commercial Instruments

Chapter One: Bill of Exchange

9. Intervention: Third: Payment by Intervention

Article (454):

Intervention may be used to pay the bill in any situation where the holder, at the time of the bill's maturity or before its maturity, has the right to recourse against the obligors.

The payment should cover the full amount that was owed by the person benefiting from the intervention.

The payment should take place at the latest on the day following the last day when a protest for non-payment could be made.

Article (455):

If the person who accepted the intervention or the appointed party to pay has a residence at the place of payment, the holder must present the bill to all these persons for payment. The holder must then make a protest for non-payment, if necessary, no later than the day after the last day to make such a protest.

If no protest is made within this period, the person appointed to pay or the person accepting the intervention, and all subsequent endorsers, will be relieved of their obligations.

Article (456):

If the holder of the bill refuses the intervention payment, they lose their right to recourse against all persons whose obligations would have been discharged by this payment.



Article (457):

The payment made through intervention must be documented by a receipt on the bill of exchange, indicating the person for whom the payment was made. If this specification is omitted, the payment is deemed to have benefited the drawer.

The bill of exchange and the protest, if made, must be delivered to the intervening party.

Article (458):

The person who pays a bill of exchange through intervention acquires all the rights arising from the bill before the person who benefited from the payment and the obligors towards that person in accordance with the bill of exchange. However, the intervening party may not endorse the bill again.

The obligations of subsequent endorsers to the person who benefited from the payment will be discharged.

If multiple persons compete to pay through intervention, preference is given to the person whose payment releases the most obligors from their liabilities. Any person intervening to make payment in violation of this rule, with knowledge thereof, will lose their right to recourse against the persons whose obligations would have been discharged had the rule been followed.



Part Four: Commercial Instruments

Chapter One: Bill of Exchange

10. Multiple Copies

Article (459):

The bill of exchange may be drawn in multiple copies, all of which must be identical.

Each copy must indicate its number and the total number of copies issued, otherwise, each copy will be considered a separate bill of exchange.

The holder of a bill of exchange that does not indicate that it was drawn from a single copy may request copies at their own expense. To do so, they must request it from the person who endorsed it to them, who must assist them in obtaining copies from the previous endorser, and so on up to the drawer.

Each endorser must indicate their endorsement on the new copies.

Article (460):

Payment of the bill based on one of its copies discharges the obligation, even if it was not stated that this payment invalidates the effect of the other copies. However, the drawee remains obligated to pay according to any copy that has been accepted and not returned.

An endorser who has endorsed copies of the bill to different individuals, as well as subsequent endorsers, are bound by all copies they endorsed and have not retrieved.



Article (461):

When sending one of the copies of the bill for acceptance, the person who sent it must indicate on the other copies the name of the person who holds that copy. The holder of that copy must then deliver it to the rightful holder of any other copy. If they refuse, the holder may not claim recourse unless they make a protest, stating that:

- The copy sent for acceptance was not delivered despite the holder's request.
- The acceptance or payment was not made in accordance with another copy.

Part Four: Commercial Instruments

Chapter One: Bill of Exchange

11. Originals and Copies

Article (462):

The holder of the bill of exchange may prepare copies of the bill.

The copies must exactly match the original bill and any endorsements or other details, and they must specify the extent to which they are copies of the original.

The copy may be endorsed or guaranteed in the same manner as the original bill, and the same legal effects apply.

Article (463):

The name of the holder of the original bill must be specified on the copy. This person must then deliver the original to the rightful holder of any other copy.

If the holder of the original refuses to deliver it, the holder of the copy may not seek recourse from the endorsers or their guarantors unless they make a protest, stating that the original was not delivered despite their request.



If the original bill bears the phrase "from now on, no endorsement will be valid except on the copy" or a similar phrase following the last endorsement before the copy was made, any endorsement made on the original bill after that is deemed invalid.

Part Four: Commercial Instruments

Chapter One: Bill of Exchange

12. Alteration

Article (464):

If a change occurs in the text of the bill of exchange, the signatories who endorsed the bill after the alteration are bound by the altered text. The signatories who endorsed the bill prior to the alteration are bound by the original text.

Part Four: Commercial Instruments

Chapter One: Bill of Exchange

13. Prescription

Article (465):

Claims arising from a bill of exchange against its drawee are subject to a statute of limitations of three years from the due date.

Claims of the holder against endorsers and the drawer are subject to a statute of limitations of one year from the date of protest made within the legal time or from the due date if the bill of exchange includes a return-without-expenses clause.

Claims of endorsers against one another and against the drawer are subject to a statute of limitations of six months from the day the endorser paid the bill or from the day the lawsuit was filed against them.



Article (466):

If a lawsuit is filed, the statute of limitations set forth in the previous article shall not begin to run except from the date of the latest valid action in the lawsuit.

The statute of limitations mentioned shall not apply if a judgment is issued acknowledging the debt or if the debtor acknowledges the debt in a separate document, leading to a renewal of the debt.

Article (467):

The interruption of the statute of limitations shall have effect only with respect to the party who took the action interrupting the limitation period.

Part Four: Commercial Instruments

Chapter Two: Promissory Note

Article (468):

A promissory note must include the following details:

- The term “promissory note” or any other expression indicating this meaning, written in the body of the instrument in the language in which it is written.
- An unconditional promise to pay a specified amount of money.
- The due date.
- The place of payment.
- The name of the person to whom payment is to be made, or to their order (the beneficiary).



- The date and place of creation of the note.
 - The signature of the maker of the note (the drawer).
-

Article (469):

An instrument that omits any of the details mentioned in the previous article is not considered a promissory note, except in the following cases:

- If the promissory note omits the due date, it is considered payable on demand.
 - If the promissory note omits the place of payment or the residence of the drawer, it is considered payable at the place of creation of the note and at the residence of the drawer.
 - If the promissory note omits the place of creation, it is considered to have been created at the place indicated next to the drawer's name.
-

Article (470):

The provisions applicable to bills of exchange apply to promissory notes to the extent they do not conflict with the nature of the promissory note. In particular, the provisions concerning the following matters apply:

- Legal capacity.
- Endorsement.
- Guaranteeing by a third party, with the understanding that if the guarantee does not specify the name of the person whose obligation is guaranteed, the guarantee is considered for the benefit of the maker of the note.
- Maturity.
- Payment, payment by intervention, and protest for non-payment.
- Recourse and protest.



- Copies and multiple versions.
- Alteration.
- Prescription.

Article (471):

The maker of the promissory note is obligated in the same manner as the drawee of a bill of exchange.

The promissory note due after a certain period from sight must be presented to the maker within the time specified in Article 411 of this Law for endorsement indicating that it has been presented for sight. The endorsement must be dated and signed by the maker. The period for sight begins from the date of the endorsement. If the maker refuses to provide the endorsement, this refusal must be evidenced by a protest, and the date of the protest will be considered the start of the sight period.

Part Four: Commercial Instruments

Chapter Three: Cheque

1. Issuance

Article (472):

In matters not specifically addressed in this chapter, the provisions related to bills of exchange shall apply to checks to the extent they do not conflict with the nature of the check.



Article (473):

A check must include the following details:

- The word "Check" written in the body of the instrument in the language in which it is written.
 - An unconditional order to pay a specified amount of money, written in both words and figures.
 - The name of the drawee bank.
 - The place of payment.
 - The date and place of issuance of the check.
 - The name and signature of the issuer of the check.
-

Article (474):

An instrument that omits any of the details mentioned in Article 473 of this Law is not considered a check, except in the following cases:

- If the check omits the place of payment, it is considered payable at the place where the drawee bank's head office is located.
 - If the check omits the place of issuance, it is considered to have been issued at the domicile of the drawer.
-

Article (475):

A check issued in Egypt and payable therein can only be drawn on a bank. An instrument drawn in the form of a check but not on a bank or not drawn on the bank's prescribed forms is not considered a check.



Article (476):

If there is a discrepancy between the amount of the check written in words and figures, the amount written in words shall prevail in case of conflict.

Article (477):

A check may be made payable to:

- A named person with or without explicitly stating the order condition.
- The holder of the check.

A check drawn in favor of a named person with the phrase "or bearer" or any similar expression is considered a bearer check.

A check that does not specify the name of the beneficiary is considered a bearer check.

A check payable in Egypt that includes a non-negotiable condition is payable only to the specified beneficiary who holds it with the condition.

Article (478):

A check may be drawn payable to the order of the drawer.

It may also be drawn for the account of another person.

It may not be drawn on the drawer unless drawn from a bank on one of its branches or from one branch to another, provided that the check is not payable to the bearer.



Article (479):

The obligations of persons with limited capacity who are not merchants and persons without capacity arising from their signatures on a check, whether as drawer, endorser, or guarantor, are invalid only with respect to them.

Article (480):

If a check bears the signatures of persons who are not legally authorized to bind themselves, or contains forged signatures, or the signatures of fictitious persons, or signatures that are not binding for other reasons, the obligations of other signatories remain valid.

Article (481):

The form of the obligation under a check is governed by the law of the country in which the check was issued.

However, if the obligation is not valid in form according to the law mentioned in the previous paragraph but is valid according to Egyptian law, the defect in form will not affect the validity of subsequent obligations arising from the check in Egypt.

Article (482):

There is no acceptance in the check; if the word "acceptance" is written on it, it is considered void.

However, the check may be presented to the drawee for endorsement. Such endorsement signifies the existence of funds sufficient to cover the amount on the check at the time of endorsement. The drawee's signature on the check's face indicates approval.

The drawee may not refuse to approve the check if there are sufficient funds for its payment.

The funds designated for the check's payment remain frozen with the drawee and under their responsibility for the benefit of the holder until the due date of the check.



However, the drawee may endorse the check to indicate that the drawer's signature matches the signature deposited with the drawee, and this endorsement does not imply the existence of sufficient funds at the time of endorsement.

Article (483):

The condition of return in a check is considered as if it does not exist.

Article (484):

By special agreement between the drawer and the drawee, the check may specify that it is payable at another bank's location.

Article (485):

The drawer guarantees the payment of the check's value. Any condition that exempts the drawer from this guarantee is considered as if it does not exist.

Article (486):

A check is transferable to its holder upon delivery.

A check payable to a specified person, whether it contains an order clause or not, is transferable by endorsement.

A check payable to a specified person, which is marked "not for order" or any other similar phrase, may only be transferred by assignment of rights in accordance with the provisions of the Civil Code, along with the effects of such assignment.

A check may be endorsed to the drawer or any other obligated party, and these parties may endorse the check again.



Article (487):

An endorsement is not conditional. Any condition attached to an endorsement is considered as if it does not exist, and the endorsement remains valid.

A partial endorsement is void.

Article (488):

The endorsement must be written on the check itself. It may be limited to the endorser's signature ("blank endorsement"). To be valid, the endorsement must be made on the back of the check.

Article (489):

The endorsement transfers all rights arising from the check to the endorsee.

If the endorsement is blank, the holder may:

- Fill in the blank by writing their name or the name of another person.
 - Endorse the check again with a blank endorsement or to another person.
 - Deliver the check to another person without filling in the blank, even without endorsing it.
-

Article (490):

The endorser guarantees the payment of the check's value unless otherwise agreed.

The endorser may prohibit the re-endorsing of the check. In such cases, the endorser is not liable to anyone who receives the check through subsequent endorsements.



Article (491):

The holder of a transferable check is considered the rightful holder if the endorsements on the check are uninterrupted, even if the last endorsement is a blank endorsement. Endorsements that are crossed out are considered as if they never existed. If a blank endorsement is followed by another endorsement, the person who signed the subsequent endorsement is considered the person who received the check through the blank endorsement.

Article (492):

An endorsement made on a bearer check makes the endorser liable in accordance with the provisions of recourse. However, such an endorsement does not convert the instrument into an order check.

Article (493):

If a person loses possession of a bearer check or a check that can be endorsed, they are not required to surrender the check to anyone who acquires it, unless the check was acquired in bad faith or through gross negligence, and in the case of an endorsed check, the holder must prove their right to it in accordance with Article 491 of this Law.

Article (494):

Notwithstanding the provisions of Article 479 of this Law, a person against whom a lawsuit is filed under a check may not raise defenses based on their personal relations with the drawer or previous holders of the check, unless it is proven that the holder, at the time of acquiring the check, intended to harm the debtor.



Article (495):

If the endorsement includes the phrase "for collection," "for receipt," "for agency," or any other expression indicating agency, the holder may use all rights arising from the check, but may only endorse it as an agency.

In this case, the obligors may only raise defenses against the holder that they could have raised against the endorser.

The agency created by the endorsement does not terminate upon the death of the principal or their legal incapacity.

Article (496):

An endorsement made after the protest or after the expiration of the presentation period produces only the effects of an assignment of rights as provided in the Civil Code.

An endorsement without a date is presumed to have occurred before the protest or the expiration of the presentation period unless proven otherwise.

The date of the endorsement may not be changed; if it is, it is considered fraudulent.



Part Four: Commercial Instruments

Chapter Three: Cheque

2. Funds for Payment

Article (497):

The drawer of a check, or the person who has drawn the check for their account, must ensure that the drawee has sufficient funds to cover the payment of the check. The drawer is liable to the endorsers and the holder, but not to others, for ensuring sufficient funds.

For the payment to be covered, the drawer or the person ordering the check must have a sum of money available with the drawee at the time the check is issued, at least equal to the check's amount, and the money must be available for payment under the conditions explicitly or implicitly agreed between the drawer and the drawee.

Article (498):

The drawer alone must prove, in case of denial, that the drawee had sufficient funds at the time the check was issued. If the drawer fails to prove this, they are liable for the payment of the check even if the protest or any similar action occurs after the legally prescribed time. If the drawer proves the existence of the funds and their continued availability until the time the protest or similar action should have been made, their liability is limited to the amount of those funds unless they have used the funds for their own benefit.

Article (499):

Ownership of the payment funds transfers by operation of law to the successive holders of the check.

If the funds are less than the value of the check, the holder has all rights on the missing funds as they would have on the full amount.



The holder may refuse the deficient funds if offered by the drawee. The drawee must mark the check with the amount paid and request the holder to acknowledge receipt. The holder must then make a protest or a similar action for the remaining balance.

The drawer, endorsers, and guarantors are discharged of their obligations to the extent of the deficient funds if the payment is made and marked accordingly on the check.

Part Four: Commercial Instruments

Chapter Three: Cheque

3. Counter-Guarantee

Article (500):

The payment of the full or partial value of a check may be guaranteed by a third-party guarantor.

This guarantee may be provided by any person other than the drawee, including any signatories to the check.

Article (501):

The guarantee must be written on the check.

The guarantee is provided with the phrase "for payment guarantee" or any other phrase conveying this meaning and must be signed by the guarantor.

The guarantee is valid simply by the guarantor's signature on the check's face.

The name of the guaranteed person must be mentioned in the guarantee; otherwise, the guarantee is considered for the benefit of the drawer.



Article (502):

The guarantor is bound in the same manner as the person they guarantee.

The guarantee is valid even if the obligation guaranteed is void for reasons other than a formal defect.

If the guarantor pays the value of the check, they acquire all the rights arising from the check against the guaranteed party and anyone else liable under the check.

Part Four: Commercial Instruments

Chapter Three: Cheque

4. Payment

Article (503):

A check is payable immediately upon sight. Any clause to the contrary is considered void.

If the check is presented for payment before the date indicated as the issuance date, it must be paid on the date of presentation, except for government checks related to salaries and pensions, which are payable only on the date specified on them as the issuance date.

Article (504):

A check drawn in Egypt and payable there must be presented for payment within six months.

A check drawn in any other country and payable there must be presented for payment within eight months.

The period mentioned in the previous sections starts from the date indicated on the check.

Presenting the check to a legally recognized clearinghouse is considered the same as presenting it for payment.



Article (505):

If a check is drawn between places with different calendars, the issuance date is considered the corresponding day in the calendar of the place of payment.

Article (506):

If the check is payable in Egypt, the drawee bank cannot refuse to pay the check if sufficient funds are available, even if the presentation period has expired.

Article (507):

An objection to the payment of a check is only accepted in cases of loss, bankruptcy of the holder, or legal incapacity.

If the objection is raised for any other reason, the urgent matters court, upon the holder's request, must rule to remove the objection, even if there is an ongoing lawsuit.

Article (508):

The death, legal incapacity, or bankruptcy of the drawer after the issuance of the check does not affect the legal consequences arising from the check.

Article (509):

If several checks are presented at the same time and the available funds are insufficient to pay them, the order of their issuance dates must be considered.

If these checks are from the same checkbook and have the same issuance date, the first check is considered to have been issued first. If they are from different checkbooks, the check with the lesser amount should be paid first.



Article (510):

If the check requires payment in foreign currency in Egypt, the payment must be made in that currency if the drawer has the corresponding funds with the drawee.

If the check requires payment in foreign currency but the drawer does not have the corresponding funds with the drawee, the payment may be made in Egyptian pounds based on the exchange rate applicable at the time of presenting the check, unless the holder rejects this form of payment.

If payment is not made at the time the check is presented, the holder may choose between the exchange rate at the time of presentation or the rate at the time of payment. If no declared exchange rate is available, the banknote rate applies.

If the check is presented after the presentation period has expired, the exchange rate at the expiration date applies.

If the check amount is stated in a foreign currency with a common name but the value differs in the country of issuance and the country of payment, the currency of the place of payment is presumed to be intended.

If the check amount is stated in a common name for foreign currencies but does not include the currency of the place of payment, the currency used in the drawer's account with the drawee will apply, or the currency of the place of issuance if no such account currency exists.

If multiple currencies exist in the drawer's account and the currency cannot be determined, the payment will be made in the lowest-value currency unless the holder refuses the payment according to this provision.

Article (511):

The provisions of Articles 433 to 436 of this Law apply in the case of the loss of a bearer check.

The surety in the case of a lost bearer check expires after six months from the date of payment if no claim or lawsuit is filed during that time.



Article (512):

If a bearer check is lost or destroyed, the owner may object to the drawee bank against payment of the check's value. The objection must include the check's number, amount, the drawer's name, and any other details to identify it, along with the circumstances of its loss or destruction. If some of this information cannot be provided, the reasons for the omission must be stated. If the objector has no domicile in Egypt, a substitute domicile must be provided within Egypt.

Upon receiving the objection, the drawee must refrain from paying the check to the holder and must set aside the payment funds until the matter is resolved.

The objector must publish the lost or destroyed check's number, amount, drawer's name, drawee's name, and the objector's name and address in a daily newspaper. Any transaction on the check after this publication is considered void.

Article (513):

The holder of a lost bearer check may contest the objection with the drawee. The drawee must mark the check with the objection and keep a copy of it, then notify the objector of the check's holder's name and address.

The holder of the check must notify the objector by registered mail with acknowledgment of receipt within thirty days of receiving the notice, and include the reasons for holding the check and the date of acquisition.

If the objector does not file a claim for ownership within the prescribed period, or if the court rejects the claim, the drawee must restore the payment funds to the drawer's account.

If the objector files a claim for ownership, the drawee may only pay the check to the person who submits a final court ruling affirming ownership or an amicable settlement confirming ownership.



Article (514):

If six months pass from the objection as per Article 512 of this Law without the holder claiming payment, the objector may request the court's permission to collect the amount of the check. The court will issue this ruling after verifying the objector's ownership of the check.

If the objector fails to file the aforementioned claim or if the court rejects the claim, the drawee must return the payment funds to the drawer's account.

Article (515):

The drawer or holder of a check may cross it by drawing two parallel lines across the face of the check.

The crossing may be general or specific.

If no wording is placed between the lines, or the word "Bank" or any similar expression is written between them, it is considered a general crossing. If a specific bank's name is written between the lines, it is a specific crossing.

A general crossing can be converted to a specific crossing, but a specific crossing cannot be converted to a general crossing.

Crossing a check or deleting the bank's name between the lines is considered as if it had never occurred.

Article (516):

In the case of a general crossing, the drawee may only pay the value of the check to a bank or to one of its clients.

In the case of a special crossing, the drawee may only pay the value of the check to the bank whose name is written between the lines. If this bank is the drawee's bank, payment may be made to its client by crediting the check's value to the client's account. The bank named between the lines may delegate another bank to collect the value of the check via a special endorsement.



No bank may accept a check with a crossing for payment unless it is presented by one of its clients or by another bank. The bank may not pay the value of the check on behalf of any other person.

If a check bears more than one special crossing, the drawee may only pay it if it has two crossings, one of which is for collection through a clearinghouse.

If the drawee violates the provisions of this article, they shall be liable for damages not exceeding the check's amount.

For the purposes of this article, the term "client" refers to any person who has an account with the drawee and has received a checkbook or is entitled to receive one.

Article (517):

The drawer or the holder of the check may stipulate that the payment is not to be made in cash by writing "for credit to account" or any other similar phrase on the face of the check. In this case, the drawee must settle the check's value via written entries such as account credits, wire transfers, or through clearing. Settlement through such entries shall be considered as payment.

The phrase "for credit to account" may not be crossed out.

If the drawee fails to comply with the provisions of this article, they shall be liable for damages not exceeding the check's value.



Article (518):

The holder of the check may seek recourse against the drawer, endorsers, and others liable for the payment of the check if the check is presented within the prescribed time and its value is not paid. The refusal to pay must be documented with a protest. Alternatively, the refusal and its reason may be evidenced by a statement issued by the drawee, specifying the time of presentation of the check. This statement must be dated, written on the check itself, and signed by the issuer. The statement may be issued on a special form or by a clearinghouse, confirming that the check was presented on time and its value was not paid.

The drawee must issue the statement upon the holder's request, even if the check contains a return-without-expenses clause. However, the party required to issue the statement may request an extension of no more than one working day to do so, even if the check is presented on the last day of the presentation period.

The refusal to pay must be documented in the manner specified in the first paragraph of this article before the expiration of the presentation period. If the check is presented on the last day of this period, the refusal may be documented on the following working day.

Article (519):

The holder of the check must notify the endorser and the drawer of the non-payment of the check. Each endorser must notify the person from whom they received the check. The provisions of Article 440 of this Law apply to these notifications.

Article (520):

A check may include a clause stating "return without expenses," in which case the provisions of Article 441 of this Law shall apply.



Article (521):

The persons liable under a check are jointly and severally responsible to the holder.

The holder may seek recourse against these obligors individually or collectively, without having to follow the order of their obligations.

This right is granted to each obligor under the check if they paid its value.

A lawsuit filed against one obligor does not prevent the holder from seeking recourse against the remaining obligors, even if they are subsequent to the obligor against whom the lawsuit was initially filed.

Article (522):

The holder of the check may claim from the person liable to them the following:

- The original amount of the unpaid check.
 - The interest calculated from the date of presentation of the check according to the rate applied by the central bank.
 - The expenses of protest or similar actions, notifications, stamp duties, and others.
-

Article (523):

The person who paid the value of the check may claim from their guarantors the following:

- The amount they paid.
 - The interest on this amount calculated from the date of payment according to the rate applied by the central bank.
 - The expenses they incurred.
-



Article (524):

Any obligor requested to pay the check's value, or who is targeted by a demand for payment, may request, upon payment, that the check be delivered to them along with the protest or similar action and a receipt for the amount paid.

Any endorser who paid the value of the check may strike out their endorsement and any subsequent endorsements.

Article (525):

The holder of a check for which a protest for non-payment or any similar action has been taken may place a precautionary attachment without guarantee on the assets of the drawer, endorser, or any guarantor, in accordance with the provisions concerning such attachment in the Civil and Commercial Procedures Law.

Article (526):

If a force majeure event prevents the presentation of the check for payment or the making of a protest or any similar action within the prescribed time, these time limits are extended.

The holder must immediately notify the person from whom they received the check about the force majeure event, and this notification must be documented with a date and signature on the check. The notifications must follow the provisions of Article 440 of this Law.

Once the force majeure event ends, the holder must present the check for payment without delay and, if necessary, make a protest or similar action.

If the force majeure event lasts for more than thirty days from the date the holder notifies the endorsee of the force majeure event, the holder may seek recourse against the obligors without the need to present the check or make a protest or similar action, unless the right to recourse is suspended by law for a longer period.

Events related to the person of the holder or their representative in presenting the check or making the protest or similar action are not considered force majeure.



Article (527):

The holder of the check retains the right to recourse against the drawer even if the check was not presented to the drawee or the protest or similar action was not made within the legal time, unless the drawer has provided sufficient funds, and those funds remained with the drawee until the expiration of the presentation period and were subsequently removed through actions not attributable to the drawer.

Article (528):

The drawee alone is responsible for the damages arising from the payment of a check with a forged signature or altered data if no fault can be attributed to the drawer. Any condition to the contrary is considered as if it does not exist.

The drawer is considered at fault, in particular, if they fail to exercise the care of a reasonable person in safeguarding the checkbook issued to them.

The drawee is not required to verify the validity of endorsements or guarantees made by endorsers or guarantors, nor are they responsible for any forgery of these.



Chapter Three: Cheque

6. Alteration

Article (529):

If an alteration occurs in the text of the check, the signatories who endorsed the check after the alteration are bound by the altered text, while the signatories who endorsed it before the alteration are bound by the original text.

Article (530):

Any bank that issues a checkbook to a client containing blank check forms must write the check number, the bank or branch name, the client's name, and the account number on each form.

The explicit or implicit acceptance of the periodic bank statement sent to the client by the bank releases the bank from liability for any entries made in that statement regarding the deduction or addition of amounts for checks. If the client does not object to the statement within thirty days of receipt, this is considered implicit acceptance. The bank may return to the client the checks it has paid, deducted from their account, and retain a photographic record of these checks, which shall have full legal effect for the bank.



Part Four: Commercial Instruments

Chapter Three: Cheque

7. Prescription

Article (531):

Claims for recourse by the holder of the check against the drawer, endorsers, and others obligated to pay the check expire after one year from the date of its presentation for payment or from the expiration of the presentation period.

Claims against the drawee for payment of the check expire after three years from the date of presentation for payment or from the expiration of the presentation period.

Claims for recourse between obligors expire after one year from the day the obligor paid the check or from the day a legal claim was made for payment.

If a lawsuit is filed, the statute of limitations specified in this article does not begin to run until the last valid action in the case.

The statute of limitations does not apply if a judgment is issued acknowledging the debt or if the debtor acknowledges the debt in a separate document, leading to the renewal of the debt.

The provisions concerning the interruption or suspension of this statute of limitations are governed by the Civil Code.

Article (532):

The holder of the check, despite the expiration of the claim for its value, may request the drawer who failed to provide funds or who withdrew them, either fully or partially, to return what they unjustly enriched themselves with. The holder may also direct this request to any endorser who has unjustly enriched themselves.



Part Four: Commercial Instruments

Chapter Three: Cheque

8. Penalties

Article (533):

Any bank employee who intentionally commits one of the following acts shall be fined an amount not less than three thousand pounds and not exceeding ten thousand pounds:

- Making a false declaration about the non-existence of funds to cover a check or about the existence of insufficient funds.
- Wrongfully refusing to pay a check with full or partial funds, without providing a valid objection.
- Refusing to issue or deliver the statement mentioned in the first paragraph of Article 518 of this Law.
- Providing a client with a checkbook that does not include the information required in Article 530 of this Law.

The bank shall be jointly liable with its employees for paying the financial penalties imposed.

Article (534):

Any person who intentionally commits one of the following acts shall be punished with imprisonment and a fine not exceeding fifty thousand pounds, or either of these penalties:

- Issuing a check without sufficient funds available for payment.
- Withdrawing or disposing of all or part of the balance after issuing the check, such that the remaining balance is insufficient to cover the check.
- Issuing an order to the drawee to stop the payment of the check, except in legally prescribed cases.



- Issuing or signing a check in bad faith in a manner that prevents it from being paid.

Any person who endorses a check to another with full transfer of ownership or delivers a bearer check while knowing that there are insufficient funds to cover the full amount or that the check is not payable shall be punished according to the penalty described in the previous paragraph.

If the offender commits any of these crimes again within five years from the final judgment in any of them, the penalty shall be imprisonment and a fine not exceeding one hundred thousand pounds.

The victim or their agent in the crimes stipulated in this article may request from the public prosecutor or court, at any stage of the case, to record a settlement with the defendant. The settlement results in the expiration of the criminal case, even if it was filed through direct prosecution. The public prosecutor may order the suspension of the penalty if the settlement occurs during the execution of the penalty, even after the judgment becomes final.

Article (535):

The beneficiary who, in bad faith, receives a check with insufficient funds shall be fined an amount not exceeding one thousand pounds, whether they are a natural or legal person.

Article (536):

Any person who in bad faith claims to have forged a check, and the court rules definitively that the claim is false, shall be punished with imprisonment and a fine not exceeding half the value of the check or one of these penalties.



Article (537):

If the court convicts someone of a check crime as stipulated in Article 534 of this Law, it may order that the judgment be published at the convicted person's expense in the magazine issued by the General Union of Egyptian Chambers of Commerce. The publication must include the name, address, profession of the convicted person, and the penalty imposed.

The court may, in the case of recidivism, order the confiscation of the convicted person's checkbook and prohibit the issuance of new checkbooks for a period it determines. The public prosecutor shall notify all banks of this order.

Article (538):

Penalties for the crimes specified in Articles 533, 534, and 535 of this Law apply to anyone who commits an act outside Egypt that makes them an offender or accomplice in any of these crimes related to a check drawn on a bank in Egypt, even if the act is not punishable in the country where it occurred.

Article (539):

The holder of the check, who has filed a civil claim in the criminal case under Article 534 of this Law, may request a judgment for the amount not paid from the check. This request and any appeal related to it shall be governed by the provisions applicable to a subsidiary civil claim.



Part Four: Commercial Instruments

Chapter Four: Common Provisions

Article (540):

A protest for non-acceptance or non-payment must be drafted according to the rules set forth in the Civil and Commercial Procedures Law for process servers, at the domicile of the person obligated to accept the commercial paper or make the payment, or at their last known domicile.

Article (541):

The protest must include, in addition to the details required in the process server's documents, a literal copy of the commercial paper and all information related to its acceptance, endorsement, guarantee, and payment, as applicable. The protest must also include a notice regarding the acceptance or payment of the paper, evidence of the presence or absence of the person obligated to accept or pay, reasons for refusal, any inability to sign or refusal to sign, and the amount paid in case of partial payment.

Article (542):

No document other than a protest can serve as a substitute for the protest, except in cases specified by law.

Article (543):

The process server responsible for drafting the protest must leave a copy of it with the person against whom the protest was made.

The process servers must record all protests in a dedicated register, updated daily, ensuring the chronological order of the protests. The Minister of Justice shall issue a regulation for the organization of this register.



Article (544):

During the first ten days of each month, the process office must send to the Commercial Registry Office in its jurisdiction a list of protests for non-payment that it has drafted in the previous month regarding accepted bills of exchange and promissory notes.

The list must include the following details:

- The date of the protest.
- The name, profession, and domicile of the bill's holder.
- The name of the drawer or the acceptor of the bill, along with their profession and domicile.
- The maturity date.
- The amount of the bill or promissory note.
- A summary of the reasons for refusal provided by the debtor at the time of the protest.

The Commercial Registry Office shall maintain a register for the data mentioned in the previous paragraph, and it shall be available for public inspection for a fee. The office will also issue a bulletin containing this data, which will be published by the General Union of Egyptian Chambers of Commerce.

Article (545):

If the maturity date of a commercial paper falls on a public holiday or the weekly holiday for the debtor's business, payment of the paper can only be demanded on the next business day.

No action related to the commercial paper, including presenting it for acceptance or payment or making a protest, may occur on a non-business day.

If a specific date is set for performing any action regarding the commercial paper and the last day for such action falls on a public holiday or weekly holiday for the debtor's business, the deadline is extended to the next business day.

In all periods, holidays falling within them are counted.



Every trader must announce their weekly holiday at a prominent place in their business, or it will be assumed to be Friday each week.

Article (546):

The first day of any legal or contractual deadline concerning commercial papers is not counted, and the deadline is considered completed when the last day of the period expires.

Article (547):

The courts may not grant an extension for the payment of the value of the commercial paper or for any actions related to it, except in cases and within the limits specified by law.

Article (548):

In cases where the law requires a signature on the commercial paper, a stamp or fingerprint may substitute for this signature.

In all cases, the signature must be legible or otherwise easily identifiable to determine the name and title of the signatory. Otherwise, the court may disregard the signature as if it did not exist.

If two witnesses confirm that the owner of the stamp or fingerprint affixed it to the paper in their presence, and they were aware of the contents of the obligation, the signatory may not claim ignorance of the contents, except in cases of fraud or duress.

Article (549):

Acceptance by the creditor of a commercial paper in payment of their debt does not renew the debt unless the intent of the parties to create such a renewal is clear.



Part Five: Bankruptcy and the Conciliation Procedure

It has been repealed from Articles 550 through the end of the Law have been repealed pursuant to Article 5 of the Promulgation Law of Law No. 11 of 2018, concerning the promulgation of the Law Regulating Restructuring, Preventive Composition, and Bankruptcy.

