EGYPT

Law and Practice

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Contents

Shehata & Partners was founded in 1996 and has been driven by a vision to provide unique legal services that cater to the business needs of corporate entities doing business in Egypt. Its core mission is to provide the most trusted and effective legal advice on both dispute resolution and corporate law in Egypt. The firm is result-driven and delivers exceptional services to clients across various practice areas and multiple industries. It continues to achieve the highest client satisfaction rates in the region due to the meticulous implementation of its client-centric approach.

Authors

Ibrahim Shehata of Shehata & Partners has accumulated more than a decade of experience within the Egyptian market. He started his career with Ibrachy & Dermarkar law firm, then moved to Sharkawy & Sarhan law firm. He then went to the US to earn his Master of Laws degree in International Arbitration and Venture Capital from New York University. Ibrahim started his career focusing on corporate law, where he successfully advised several multinational companies on doing business in Egypt. In the last few years, Ibrahim has been one of the key players in the entrepreneurial ecosystem, helping both start-ups and venture capital firms navigate legal issues and guiding them to be more investment-ready.

Salah Mohamed has joined Shehata & Partners as an associate in 2023. He was previously an intern at several top-tier law firms in Egypt. Furthermore, Salah was the first Egyptian law student to be chosen by Google LLC to participate in Google EMEA's Legal Summer Institute. He was also ranked in the top three in the JESSUP competition and participated in different moot court competitions nationally and internationally. Salah is currently actively involved in reviewing and drafting different types of legal contracts, including but not limited to SAFEs, convertible notes, shareholder agreements, term sheets, and employment matters.

Hamza Shehata has recently joined Shehata & Partners as a junior associate. He has a strong academic foundation as a graduate from Cairo University's Faculty of Law English Section. During his internships at top-tier law firms, Hamza gained valuable experience working on corporate, litigation, and arbitration matters, primarily focusing on employment law. Driven by a desire to continue learning and growing as a lawyer, Hamza is dedicated to expanding his expertise and advancing his career as a legal practitioner.

Miray Mikhaiel recently joined Shehata & Partners' team. She graduated from Ain Shams University with an LLB, and is currently pursuing her Master's degree. Prior to joining S&P, she interned in several top-tier law firms in Egypt, where she developed various soft, personal, and legal skills. At Shehata & Partners, Miray provides assistance and gives advice to clients in various practice areas, including corporate and commercial, employment, and renewable energy law.

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1. Employment Terms

1.1 Employee Status

In the context of employment, blue-collar and white-collar workers represent two different categories:

- white-collar workers – typically employed in office environments, these workers engage in clerical, administrative, managerial, and executive roles; and
- blue-collar workers – these individuals are involved in manual labour and often work in settings such as factories, construction sites, or other industrial environments.

In this regard, Law No 12 of the Year 2003 (the "Labour Law") defines the employee as any person who performs work in consideration of remuneration for the employer and under the employer's direct supervision. In this regard, there is no clear definition for blue-collar and white-collar workers under Egyptian law. However, the Labour Law provides for a different minimum number of working hours for blue-collars workers in industrial establishments than the regular minimum number of working hours for other workers. In this regard, the minimum number of working hours for blue-collar workers in industrial establishments is 42 hours per week, whilst the minimum number of working hours for other workers is 48 hours per week.

While the Labour Law does not explicitly categorise workers as blue-collar or white-collar, the Labour Law provides a framework that ensures fair working conditions for all employees whether they are blue-collar workers or white-collar workers. In this respect, the Labour Law emphasises the need for adequate working conditions and compensation, particularly for those in physically intensive roles.

1.2 Employment Contracts

The different types of the employment contracts under the Egyptian Labour Law are as follows.

Fixed-Term Employment Contracts

A fixed-term employment contract is simply a contract that expires at the end of its term. The Labour Law does not mention a minimum term for fixed-term contracts. As a result, the parties can agree on the contract's term as they may wish. In addition, there is no requirement to turn a fixed-term employment contract into an unlimited-term employment contract at any time during the employment relationship. Additionally, a fixed-term employment contract may be renewed by the parties expressly for another limited period term(s), as there are no legal constraints on the maximum number of times a fixed-term contract may be extended/renewed by the parties, nor on the maximum total duration of subsequent contracts combined.

Nevertheless, if the term of a fixed-term employment contract expires and its two parties continue to perform it without having a written agreement in place for its renewal, this shall be considered as a renewal of the contract for an indefinite period; namely, the contract will be turned into an unlimited-term contract. However, this does not apply to foreigners' labour contracts.

The main benefit of having a fixed-term employment contract is that the employer is free not to renew the contract once the contract period expires and without paying any compensation to the employee.

Unlimited-Term Contracts

An unlimited-term employment contract is one in which its term is deemed to be uncertain and thus indefinite. For example, if the writ-

ten employment contract does not specify the term of employment, then this is considered an unlimited-term employment contract. Another example is if the fixed-term employment contract has expired, but the employee is still working for the employer without having a written renewal notice in place, then this contract turns into an unlimited-term employment contract as explained above.

An employer cannot terminate this type of employment contract except for (i) the reasons specified under Article (69) of the law or (ii) if the employee is "unfit" for the position. In general, some of these grounds may be difficult for the employer to establish in practice before the Egyptian labour courts.

Contracts for Execution of Specific Works

If the employment contract is concluded for the completion of a specific work, the contract ends with the completion of this work. If this completion takes a period of more than five years, then the employee may not terminate the contract before the completion of such work.

Adding to the above, if the employment contract concluded for the completion of a specific work expires and the two parties continue to implement the contract after the completion of the work, this shall be considered as a renewal of the contract for an indefinite period; namely, the contract turns then into an unlimited-term contract.

Additionally, if the contract concluded for a specific work expires with its completion, it may be renewed by express agreement between the two parties for a similar work or works. If the period of completion of the original work and the works for which the contract was renewed exceeds five years, the employee may not terminate the contract before the completion of these works.

In this regard, the following are the required formalities under the Labour Law for employment contracts.

The Contract Should be in Writing

The employment contract shall be drawn up in three copies: two copies for each of the parties, and one copy to be deposited with the competent social security office. If the contract was drawn up in a foreign language, an Arabic translation shall be attached to each copy of the two copies deposited to the aforementioned governmental authorities.

Therefore, the law demands that the employment contract is concluded in a written format to specifically protect the employee. Nevertheless, in the absence of a formal contract, and in the event of a disagreement, the employee can use any method of proof to prove the existence of a work connection as well as the content of the employment contract itself. The employer, on the other hand, can only prove the employment relationship by written means.

Statutory and Other Important Information

According to the legislation, the employment contract must include the following information:

- the employer's name and workplace address;
- the employee's name, degree of education, profession or specialisation, insurance number, place of residence, and whatever is necessary to prove their identity;
- the nature and type of job subject to the contract; and
- the agreed-upon wage or salary, the method and time of its payment, as well as all the cash and in-kind benefits agreed upon.

In addition, the employer shall give the employee a receipt for the documents and certificates the employer may have received from the employee.

The Contract Must be in Arabic Language

As stated above, the contract must be signed in three Arabic language (or in a bilingual form) copies. If the contract is not written in Arabic, on the other hand, it shall still be considered valid. It will not, however, be admissible in court without a certified translation, and obtaining a certified translation is a time-consuming process.

Another scenario would be if the employee has signed the acceptance of the offer letter. In this case, the employer may forego signing an employment contract. This is assuming that the offer letter contains all of the information required by law to be included in the employment contract. Furthermore, the offer letter must be in Arabic, signed by the employee, and deposited with the relevant social insurance office.

Penalty for Non-compliance

As per Article (246) of the Labour Law, failure to comply with the above-mentioned means of concluding an employment contract will result in a fine of not less than EGP50 and not more than EGP100 per each employee. In the event of a repeat offence, the fine shall be doubled.

1.3 Working Hours

Working Hours – General Rule

As a general rule, employees must not work more than eight working hours per day or 48 hours per week, not including the rest hours. This is according to Article (80) of the Labour Law. Further, pursuant to Article (82), the period from the start of work to its end, and the employee's presence at work, must not exceed ten hours, including breaks. However, this does not include overtime hours.

In addition, under Article (81) of the Labour Law, the total working hours shall include one or more periods for eating and resting, the total of which shall not be less than one hour, and it shall be taken into account in determining this period that the employee shall not work for more than five consecutive hours.

Furthermore, the Labour Law does not have specific provisions for part-time contracts. Terms for part-time work should be outlined in the employment agreement between the employee and the employer, ensuring compliance with the general provisions of the Labour Law.

Working Hours – Exceptions

It is worth mentioning that the 48 hours per week limit is reduced to 42 hours per week for employees working in industrial establishments specified by law. This is according to Article (5) of the Manpower Decree No 113 for 2003.

Moreover, there are cases or works in which it is necessary – for technical reasons or operating conditions – for the employee to continue working without a rest period for five consecutive hours. In this regard, Article (1) of the Ministry of Manpower Decree No 122 for 2003, includes the following works which must continue without a rest period for five consecutive hours:

- works in which the operation continues without interruption with the rotation of employees and work in the system of three shifts per day;
- works in which work continues for two shifts per day, where the written approval of the employee is required;
- working in the offices of establishments in which employees work for a period not exceeding seven hours per day;

- working in the operation of the machines that generate power; and
- work of loading and unloading goods in docks, ports, and storage warehouses.

In this case, the employer or the responsible manager must allow the employee to consume drinks or light foods or rest in a manner determined by the management of the company. This is according to Article (2) of the previously mentioned decree.

In addition, there are certain works that are considered difficult or stressful works in which the employee is granted rest periods, which are calculated from the actual working hours. In this regard, Article (3) of the Ministry of Manpower Decree No 122 for 2003, states that the employees who work in arduous or exhausting work, as described below, shall be granted one or more periods of rest, the total of which shall not be less than one hour, which shall be calculated from the actual working hours:

- managing or supervising machines;
- repairing or cleaning machines while they are running; and
- mixing and kneading operations in the manufacture or repair of electric batteries.

Weekly Rests

With regards to weekly rests, each employee must have a weekly paid holiday of not less than 24 hours, every six continuous days. This is mentioned under Article (83) of the Labour Law.

Overtime Rules

On another note, the overtime hours entitlements generally occur in cases of emergency. Where the employer wishes to make the employees work overtime, the Labour Law requires that the employer requests the written approval of the competent administrative authority to increase the working hours. This is under Article (85) of the Labour Law. In any case, according to Articles (1) and (85) of the Labour Law, the employee is paid for the overtime according to what is agreed upon in the employment contract. Such overtime payment must not be less than their original salary for the overtime hours plus 35% for the daytime working hours and 70% for night working hours (any hours worked between sunset and sunrise).

In all cases, an employee's actual working hours must not exceed ten working hours, in addition to a one hour break.

Moreover, Article (87) of the Labour Law, and Articles (1) and (2) Ministry of Manpower Decree No 113 for 2003 provide the following.

As an exception to the above, preparatory works that are necessary to manage machines and power supply, which would enable a plant to carry out its daily work within the scheduled working hours, have a different method of calculating their employees' working hours and overtime. In addition, complementary works, listed below, also have a different method of calculating the employees' working hours and overtime:

- works necessary to complete the repair of machines when a defect or malfunction occurs thereof, which results in the disruption of work in the upcoming shift;
- works necessary to complete the operations of loading and unloading, the failure of which results in a delay in the export or delivery of products and goods that arrive at unexpected dates; and
- completion of industrial complementary operations that may not be accumulated from a technical point of view without completion.

In the above cases, the maximum actual working hours in the preparatory and complementary works shall be 48 hours per week, and the maximum overtime in these jobs shall be 12 hours per week, without prejudice to the general rules applied to overtime eligibilities.

Accordingly, it shall be considered as an exception to the general rules. In this regard, the normal and overtime working hours conform to the general rules in terms of the weekly maximum, but not to the daily maximum. This means that an employee who works in preparatory or complementary works could exceed the daily rest hour, the actual working hours, and/or the maximum overtime hours in one day, but could not, however, exceed 48 working hours per week, and a maximum of 12 overtime hours per week. These employees are, nevertheless, entitled to a weekly rest according to the general rules of the Labour Law.

1.4 Compensation

Article (34) of the Labour Law empowers the competent authority to set the minimum wage in the private sector. In this regard, the Ministry of Planning and Economic Development and the National Council for Wages have issued Decree No 27 of 2024, which establishes the minimum wage in the private sector at EGP6,000 per month. It must be noted that micro-enterprises employing ten employees or less are exempted from this minimum wage requirement.

Article (34) of the Labour Law stipulates that employees are entitled to an annual increase of a minimum of 7% of their social insurance subscription wage.

Employees' bonuses are subject to the contractual obligations between the employer and employee. In this regard, it is worth mentioning that bonuses shall always be given in exchange for specific performance or condition(s). As a result, employers should take into their consideration that if the bonus is given for unclear reason(s) or if being given it may turn into an acquired right, the employer might become obliged to pay these bonuses regardless of the employee's performance if certain conditions are met.

Furthermore, the 13th-month pay, often referred to as a "13th-month bonus", is an additional annual payment made to employees, typically equivalent to one month's salary. This form of compensation is usually provided at the end of the calendar year or during the holiday season, as a supplementary benefit to the regular salary. In this regard, the Labour Law does not specifically address the 13th-month bonus. However, it is subject to the employer's sole discretion according to the employee's performance during the employment relationship.

1.5 Other Employment Terms

Vacation Entitlements

Annual leave

According to Article (47) of the Labour Law, the employees are entitled to 21 days of paid annual leave after completing one year of service. It is worth mentioning that if an employee has been with the same employer or multiple employers for a period of ten years or has reached the age of 50, the annual leave entitlement increases to 30 days of annual leave.

Rotational leave

The Labour Law specifies a number of areas that should be considered remote, whereby it requires certain stipulations that shall be applied to employees who work in such remote areas, such as additional annual leave, different weekly

rest, and housing and nutrition specifications, as elaborated below.

First of all, in order to consider a workplace (remote) under the Labour Law, it should be far from urbanisation by at least 15 kilometres from the nearest borders of a city or village and the normal/public transportation means do not reach, or it is one of the following areas, hereinafter referred to as (the "Remote Area"). This is according to Article (1) of the Decree of Minister of Manpower No 200 for 2003, and includes: (a) the Governorate of North Sinai, (b) the Governorate of South Sinai, (c) the Red Sea Governorate, (d) the Governorate of Marsa Matrouh, (e) Al Wadi Al Gadeed Governorate, and (f) Toshka, East of 'Oynat Territory.

Employees working in such Remote Areas as defined above, are entitled to seven more days than the regular 21 annual leave days, totaling 28 days per year.

Sick leave

As per Article (54) of the Labour Law, the number of days of sick leave that an employee can take is not determined by the law. In this regard, the appropriate medical authority makes a decision based on the individual circumstances and in accordance with the Social Security Law.

Emergency leave

Pursuant to Article (51) of the Labour Law, employees are entitled to up to six days of paid emergency leave annually, which shall be deducted from their annual leave. This leave can be used for unforeseen emergencies, with a maximum of two consecutive days at a time.

Public holidays

Pursuant to Article 52 of the Labour Law, employees are entitled to public holidays as defined by the competent Minister's decree. The total number of public holidays cannot exceed 13 days. The 11 recognised public holidays include the following.

- The first day of the month of Muharram (Hijri New Year's Day).
- The twelfth day of the month of Rabi' al-Aww-al (the noble birth of the Prophet).
- The first and second days of the month of Shawwal (Eid al-Fitr).
- The ninth, tenth, and eleventh days of the month of Dhu al-Hijjah (standing at Arafat and the first and second days of Eid al-Adha).
- The seventh day of January (Christmas).
- The twenty-fifth of January (Police officers' day).
- Sham El-Nessim day.
- The 25th of April (Sinai Liberation Day).
- May 1st (Labour Day).
- The 23rd day of July (Revolution Day).
- The sixth day of October (Armed Forces Day).

Maternity leave

According to Article (91) of the Labour Law, female employees are entitled to 90 days of paid maternity leave, which can be taken twice during their employment relationship.

Further, female employees must have been employed for at least ten months to qualify for such leave, regardless of employer changes. Additionally, female employees are not permitted to work for 45 days post-birth, even if they have used their two maternity leaves.

Child care leave

As per Article (94) of the Labour Law, female employees in organisations with 50 or more employees are entitled to two years of unpaid childcare leave. This leave can be taken twice during their career.

Pilgrimage leave

According to Article (53) of the Labour Law, employees who have served for at least five years are entitled to a one-month paid leave for pilgrimage or to visit Jerusalem. This leave is granted only once during their career.

Confidentiality, Non-Disparagement, and Employee Liability

Confidentiality

According to Article (56) of the Labour Law, employees have a duty to protect the confidentiality of their employer's trade secrets. This includes refraining from sharing any information related to their work that is considered confidential by nature or has been designated as such in writing by their employer. The specific confidentiality requirements may also be outlined in agreements between the employee and the employer.

Non-disparagement

The Labour Law does not specifically mandate non-disparagement clauses. However, employers may include such terms in contracts to prevent employees from making negative statements about the incorporation.

Employee liability

According to Article (174) of the Egyptian Civil Code, the employer is liable for the damages caused by an unlawful act of its employee when the act performed by the employee was in the course, or as a result, of their employment. Furthermore, the relationship between employer and employee exists even when the employer has not been free to choose their employee, provided that the employer has actual powers of supervision and control over their employee. As a result, employees can be held liable for damages caused by negligence or wilful misconduct.

2. Restrictive Covenants

2.1 Non-competes

If the work entrusted to the employee allows them access to the employer's list of clients or commercial or industrial secrets of the employer, the two parties may agree that after the termination of the contract, the employee may not compete with the employer, nor participate in any project that competes with it. However, under the following conditions which are mentioned under Article (686) of the Civil Code:

- the employee must have full capacity – ie, above 21 years old, at the time of concluding the employment contract; and
- the restriction must be limited in terms of time, place and type of work to the extent necessary to protect the legitimate interests of the employer.

Finally, the employer may not uphold this clause if they terminate the contract or refuse to renew it without providing justification thereof, just as it is not permissible for the employer to uphold the agreement if they forced the employee to terminate the contract.

It is also worth mentioning that if a liquidated damage was agreed upon in the event of a breach of the non-compete clause, and such liquidated damages were exaggerated, making it a means to compel the employee to remain in the business of the employer for a period longer than the agreed period, this liquidated damage could be deemed as invalid, and its invalidity extends also to the non-compete clause as a whole. This is according to Article (687) of the Civil Code.

On another note, as per Article (57) of the Labour Law, an employee is prohibited from carrying out

the following actions by themselves or through others during the employment contract.

- Working for others, whether with or without pay, if performing such work impairs the good performance of their work or is inconsistent with the dignity of the work, or enables or helps a third party to learn the secrets of the establishment or compete with the employer.
- Exercising an activity similar to the activity practiced by the employer, or participating in a similar activity, whether as a stakeholder or an employee.

In this respect, the Economic Court heard a case where the employee had been working with the employer for more than three years, which allowed the employee to know the company's trade secrets and to know the employer's permanent clients. It then came to the knowledge of the employer that the employee had established a company working with the same activity. Therefore, the Court decided in its Decision No 3500, for Judicial Year 2010, hearing dated 26/01/2011 that:

"... what the defendant did is considered illegitimate competition, in addition to his violation of the provisions of the Labour Law in its Article (57), which prohibits the employee from carrying out the same activity as the employer...".

2.2 Non-solicits

Non-solicitation is an agreement that prohibits employees from soliciting or recruiting a company's clients, customers, or employees after the end of their relationship with the company.

Under the Labour Law, non-solicitation is not explicitly addressed as it is subject to the parties' agreement. However, Article (686) of the Egyptian Civil Code stipulates the application of non-solicitation where, if an employee's work nature provides access to the employer's clients or its confidential information, then the parties may agree that the employee shall not use this information for personal gain or in any competing venture/business. Non-solicitation is thus considered an extension of the duty to perform the contract in good faith, ensuring that the employee refrains from soliciting the employer's client(s) or disclosing their confidential information.

3. Data Privacy

3.1 Data Privacy Law and Employment

Starting from the Egyptian Constitution to the Data Protection Law No 151 for 2020 (DPL), employees' privacy and restrictions on the use and disclosure of their data are regulated.

In this regard, the Constitution states under Article (57) that all correspondence, telephone calls, emails, and other forms of communication are protected, and their confidentiality is guaranteed. They may not be confiscated or monitored except by a judicial order, and for a limited time, in accordance with the provisions of the law. Therefore, an employer may not monitor employees' correspondence, as long as it belongs to the employee(s) and is not the employer's property.

In addition, the DPL requires that all data controllers and processors establish a lawful basis for each and every personal data processing activity they perform directly or which is disclosed or revealed by any means, except with the explicit consent of the data subject. Besides, Article (8) of the DPL obliges the legal representative of a legal entity that controls or processes personal data to appoint, within the legal entity and func-

tional structure, a data protection officer (DPO) responsible for the protection of personal data. This DPO must be registered in a special register to be established at the Data Protection Center. The DPO is responsible for implementing the provisions of the DPL, its executive regulations, and the decisions of the Data Protection Center, monitoring the procedures in force within their entity, supervising them, and receiving requests related to personal data in accordance with the provisions of the DPL.

Moreover, the Labour Law obliges the employer to collect and receive all possible identifiable information and documents only in connection with the employee's application for employment.

Hence, the Constitution, the DPL, and the Labour Law regulate employees' personal information and the mechanism for processing and controlling it, where only work-related data should be collected and monitored.

It must be noted that the executive regulations of the DPL have not been issued yet and hence the DPL is not yet in force yet as at the date of writing.

4. Foreign Workers

4.1 Limitations on Foreign Workers

Foreigners may not engage in work except after obtaining a licence to do so from the competent ministry, permitting them to enter the country and reside for the purpose of work. In this regard "work" means every dependent work or any profession or craft, including work in domestic service, and this is according to Article (28) of the Labour Law. In addition, under Article (27) of the Labour Law, a work permit is required whether the employee will work in the private or public sector.

Furthermore, the law applies a ratio between foreign workers and Egyptian employees. In this regard, Article (5) of the Minister of Manpower and Immigration Decree No 146 for 2019 regarding the Conditions and Procedures for Work Permits for Foreigners states that the number of foreign employees in any company (including its branches) shall not exceed 10% of the total number of Egyptian employees insured by the company. Therefore, the law obliges employers to ensure that 90% of their employees are Egyptian nationals. Accordingly, for each hired foreigner, nine Egyptian national employees must be hired against such a foreigner.

If the employer is an Egyptian joint stock company, then the aggregate of all Egyptian employees' salaries must be at least the equivalent of 70% of the aggregate salaries of that company. This indicates that an employer cannot employ one foreign employee to conduct an actual job for a high salary and nine Egyptian employees for a minimal job for a low salary. Moreover, at least 75% of all technical and administrative employees of the above-mentioned company must be Egyptian. This means that the majority of technical and administrative jobs must also be reserved for Egyptians.

Lastly, as an exception to the 9:1 ratio mentioned above, an investment project may employ foreign employees within 10% of the total number of employees in the project. However, this percentage may be increased to a maximum of 20% of the total number of employees in the project, provided that it is not possible to employ national employees with the necessary qualifications.

Moreover, in some strategic projects of special importance that are determined by a decision of the Supreme Council, an exception may be made to the aforementioned percentages, provided that the training of national manpower is taken into consideration.

Additionally, Article (20) of the Minister of Manpower and Immigration Decree No 146 for 2019 regarding the Conditions and Procedures for Work Permits for Foreigners exempts particular categories of employees who will be able to get a work permit and business residence visa without being required to achieve the 9:1 Egyptian to foreigner employee ratio. These categories include, inter alia:

- employees in representative offices and the like; and
- managers of a branch of a foreign company.

4.2 Registration Requirements for Foreign Workers

In order for a foreigner to obtain a work permit, they have to submit all the relevant documents that will be requested by the competent authority and also pay the prescribed fee for such permit. For the avoidance of doubt, fractions of the year are considered as a full year. In this regard, the work permit fees are estimated as follows.

- First – EGP5,000, in the case of approval of the work permit for the first year, and the fee shall be increased by EGP1,000 for each subsequent year until the third year.
- Second – EGP10,000 in the event of approval to renew the work permit starting from the fourth year, provided that the fee is increased by EGP1,000 for each subsequent year until the sixth year.
- Third – EGP15,000 in the case of approval to renew the licence starting from the seventh year, provided that the fee is increased by EGP1,000 for each subsequent year until the tenth year.
- Fourth – EGP20,000 in the case of approval to renew the licence starting from the eleventh year, provided that the fee is increased by EGP2,000 for each following year, with a maximum of EGP50,000.
- Fifth – establishments excluded from the prescribed 10% for foreign workers may be subject to a fee of EGP8,000 for the first year, upon approval by the special committee for exceptions. This fee increases by EGP2,000, up to a maximum of EGP50,000. The Exceptions Committee retains the discretion to reduce fees in cases warranting such a reduction, provided that reasons and justifications accompany the concerned request.

5. New Work

5.1 Mobile Work

The digital transformation and prevalence of online technology have created new work models, the workforce is becoming mobile, and employees are becoming able to do their jobs from anywhere through digital means of communication.

There are some terminologies used for remote work models that have grown globally, and in Egypt, one of those is “Mobile Work”, which depends on making available means of technology and networks allowing employees to have access to the information, clients, and systems they need in order to complete their physical location and without being inside the office.

However, the current provisions of the Labour Law are essentially focused on employees’ physical presence inside the workplace and

do not include provisions regulating flexible or remote work models, so there are some suggestions that many of the provisions of the Labour Law need to be updated to adapt with the global digital revolution.

Consequently, the legal framework for data protection and privacy for employee rights in remote work is still evolving, so currently, there are no explicit laws governing data protection and privacy for remote work arrangements. The enacted Egypt's Personal Data Protection Law No 151/2020 provides a foundation for data protection which may have some potential implications for remote work.

5.2 Sabbaticals

Sabbatical leave is a period of extended leave granted to employees, typically after a certain number of years of service. It is often used for personal development, academic pursuits, research, or rest. Sabbaticals can vary in length and conditions depending on the organisation's policy. Unlike regular vacation leave, sabbaticals are generally longer (ranging from a few months to a year) and may be partially paid or unpaid. Accordingly, Sabbatical leave is not clearly regulated under the Labour Law. However, some applications for sabbatical leave can be seen in the law as annual leave, where the employee could demand their leave to be for a certain period due to their exams only if they had provided what proves the date of the exam and notified the employer 15 days prior to the exam's date. This is mentioned under Article (49) of the Labour Law.

5.3 Other New Manifestations

"New work" refers to modern work practices and organisational models that are designed to adapt to changing technological, social, and economic conditions. This concept emphasises flexibility, employee autonomy, and innovative approaches to traditional work environments.

Desk sharing is a workspace arrangement where employees do not have assigned desks but instead use any available workspace as needed. This system promotes flexibility and efficient use of office space by allowing multiple employees to share the same desk at different times.

The current Labour Law does not address the new manifestations related to new work practices nor those related to desk sharing.

6. Collective Relations

6.1 Unions

The new Labour Unions Law No 213 for 2017 and its Executive Regulations, specifies the role of labour unions and work councils that aim to protect employees' rights and resolve their problems. Currently, these labour unions have the upper hand in governing all employees' rights and requirements to work in a stable and equitable environment. In addition, these unions provide an equal platform where the employer and the employee can engage in discussions to solve some of the common problems in the workplace, including the issue of workplace privacy.

In this regard, trade union organisations have the right to litigate to defend their rights and interests and the collective rights and interests of their members arising from labour relations. These unions may even intervene with their members in all lawsuits related to labour relations, as well as in disputes arising from the application of the provisions of the new Labour Unions Law mentioned above.

Moreover, employees of an establishment shall have the right to form a "Trade Union Committee of the Establishment" with no less than 50 employees joining it, which assumes the following functions:

- to settle individual and collective disputes related to its members;
- to conclude collective labour agreements at the establishment level;
- to participate with the general union to which it is affiliated in preparing draft collective labour agreements;
- to participate in discussing draft production plans in the establishment and assist in their implementation;
- to participate in setting up or amending internal regulations and systems related to the organisation of labour and employees' affairs; and
- implementation of service programmes approved by the general union to which it is affiliated.

It is also important to note that the employer, or its representative, must enable trade union members to carry out trade union activities, such as communicating with employees and holding meetings with them as well as conducting trade union elections at the worksite in a way that does not affect the workflow in the establishment, and obtaining the correct information required for collective bargaining when requested in accordance with the provisions of the Labour Law.

Adding to the above, it is prohibited for the employer, or its representative, to take any action that would disrupt the practice of trade union activities, including carrying out any act that involves material or moral coercion of an employee because of their trade union activity, refraining from employing an employee or terminating their service due to joining a trade union organisation, discriminating in wages or any of its accessories or in-kind benefits among employees due to joining a trade union organisation or practicing trade union activity, or forcing trade union members to change their negotiating positions.

6.2 Employee Representative Bodies

The bodies representing employees in Egypt are the union committees established in each trade union; whereas almost each profession has its own established trade union making sure that its members' rights are reserved in the employment relationship.

The way Egyptian trade unions are instituted is organised through the annexed Unified Procedures Manual for the Establishing Trade Unions Decree No 227/2022 issued by the Minister of Manpower. The institution of unions begins by activist employees spreading awareness among their fellow colleagues of the benefits of trade unions until 50 or more workers become involved, then hold a meeting to discuss unionising. The procedural framework thereafter involves holding a preliminary conference to discuss the initial steps and prepare necessary documents. A committee emerges out of the initial conference preparing a draft for regulations, then an instituting conference is held to discuss what emerged because of the preliminary conference in addition to publicising the regulations at the conference.

As per Article (18) of the Trade Unions and the Protection of the Right to Organize Law No 213/2017, the founding assembly of the trade union under formation shall elect a board of directors for the organisation, which in turn shall elect an executive committee of the trade union. The person selected by the executive committee from

the members of the board of directors shall deposit three copies of the following founding documents with the competent administrative authority, within 15 days from the date of the election of the board of directors by the founding general assembly.

- A list of the founders of the trade union, stating the name, title, national ID number, age, place of residence, profession, and place of work of each member, signed by each member.
- The by-laws of the trade union, with the signatures of the members of its board of directors authenticated on one copy by the competent notary public.
- Minutes of the election of the board members and the selection of the representative of the executive committee for the purpose of deposit.
- Lists of the members of the board of directors and the executive committee, stating the name, title, age, profession, place of residence, and place of work of each member.

Furthermore, for the establishment of a General Trade Union or a Labour Federation, it is required to submit a statement of the number of labour union committees affiliated with the general trade union, their names, and the minutes of their formation, or the number of general trade unions affiliated with the labour federation, their names, and the minutes of their formation, and a statement of the number of workers who are members of the trade union, as the case may be.

6.3 Collective Bargaining Agreements

The Egyptian Labour Law focus has been on individual employment relationships; however, there are provisions under the Labour Law that regulate collective employment relationships, which is where collective bargaining agreements come into place. In this regard, collective bargaining agreements happen through negotiations where each party compromises to the best of their ability so all parties may benefit from the collective employment relationship. Collective Bargaining Agreements are regulated under the Labour Law. Moreover, the recent Decree No 50/2022 passed by the Minister of Manpower and Immigration outlines the process and tiers and procedures for collective bargaining. The decree applies to all workers, including public service employees not working or employed under the state administration, as well as those employed in private, public, public business, investment, and joint sectors, and it excludes military and law enforcement individuals.

Moreover, collective negotiations, as outlined per the previously-mentioned decree, entail discussions either between employers or between a collection of employers and employees facilitated by their unions or organisations with the aim of covering matters in regards to enhancing the terms and conditions of work and employment, resolving any employment conflicts and disputes, and co-operation between the parties in the employment relationship to achieve the social development of the establishment's workers, especially: (i) determining better benefits for workers; (ii) social, cultural, and sports services; (iii) the prevention of accidents and protection of workers from occupational diseases; (iv) organising appropriate health services and first aid in the workplace; (v) amicable procedures to be followed in the event of a collective dispute; (vi) training in the use of modern technology and conversion training; (vii) working hours and overtime; (viii) paid leave; (ix) promotions, transfers, allowances, grants, incentives, and bonuses, etc...; (x) bonuses and incentives linked to production.

The Decree articulates and elaborates the five levels of collective negotiations which are as follows.

- The establishment level, which happens between the Union Committee and the employer.
- Multi-branch establishments level, which happens between the competent union organisation, and the representatives (on behalf of the employer) of the headquarters of the establishment.
- Industry level, happening between employers or their organisations participating in a particular industry and representatives of the general trade union according to the professional trade union classification.
- Regional level, taking place between the employers' representatives who engage in activity in both the same industry and in the same geographical scope, and the representatives of the relevant union organisation. However, if there are multiple activities according to the professional classification of trade unions, negotiations shall be between employers or their organisations and representatives of regional federations or general federations.
- National level, happening between the competent General Union and the employers' relevant organisation, or through a system that combines levels or common professions.

As per the fifth Article of the legislation, it is required for the General Trade Union, General Union Committee representatives, and the employer to engage in collective negotiations in companies with over 50 workers. If there is no union present in the business, both the employer and the union representatives must negotiate with the employer and five selected workers chosen by the relevant General Union, at least three of whom are employees from the establishment. If the company has fewer than 50 workers, talks take place between General Trade Union representatives and either the employer itself or representatives of the employer's organisation; whereas each party shall be considered legally authorised to conduct the negotiations and conclude any agreement resulting therefrom; and in the event that one party declines to begin collective bargaining, the other party may ask the competent administrative authority to initiate the negotiation procedures by notifying the employers' organisation or the workers' trade union to begin the collective bargaining agreement on behalf of the party refusing to negotiate, and the relevant trade union shall be considered legally authorised in this case to conduct negotiations and sign the collective agreement.

While negotiations are taking place, the employer is prohibited from taking measures or issuing decisions related to the subject matters under negotiation except in cases of necessity and urgency, and the measure or decision, in this case, shall be on a temporary basis as per the sixth Article of this decree.

In accordance with Article (7), which stipulates the aftermath of the negotiations; after the negotiations take place, any agreements resulting from the negotiations shall be documented through a drafted collective agreement stipulating the terms agreed upon by both parties. However, if negotiations fail and both parties do not come together in agreement, either of them may resort to either the competent administration authority for the affairs of collective bargaining and collective labour agreements at the Ministry of Manpower or the directorates of manpower to attempt to reconcile them and assist them in reaching an agreement; and the administrative authority shall work to strengthen the means and

procedures of collective bargaining in order to encourage constructive and fruitful negotiations and enhance the capabilities of employers and workers' trade union organisations to achieve this.

7. Termination

7.1 Grounds for Termination

Termination by the Employer

The Labour Law stipulates that motivation is required for the termination of an employment contract. The termination occurs after the event has happened and not before, where the termination cannot be based on intuition. Motivations are included in the Labour Law as found in Article (129) where termination would be lawful if an employee is convicted of a felony or for an offence that offends honour, trust, and public morals unless the court issues an order to suspend the sentence, and the verdict must be final. Additionally, Article (124) stipulates that an employment contract is terminated upon an employee's total incapacitation that renders them unable to assume their job roles. However, partial incapacitation is not grounds for termination unless there are no other roles suitable for the employee's capabilities after their partial incapacitation. If the new role is provided under the Social Insurance Law No 148/2019, they shall in this case request being reassigned to that role.

Furthermore, the gravest and most serious grounds for termination are stipulated under Article (69) of the Labour Law; if an employee is proven to have committed any of the nine fundamental breaches stipulated, they would be terminated through the labour court's approval based on the request submitted which details the offending employee's fundamental breach(es). Additionally, the approval of termination is issued within 15 days from the date of the court's receipt of the request as mentioned in **7.3 Dismissal for (Serious) Cause**.

Termination by the Employee

If it is the employee who wishes to terminate the employment contract, they shall do so in accordance with Article (110) by submitting a reasoned notice that includes reasons concerned with their health, social, or economic conditions only.

Collective Redundancies

Articles (196) to (199) regulate collective redundancies, where the Labour Law grants employers the right to partially or completely shut down their business for economic reasons or to downsize, which affects the labour force. The process occurs through submitting a request to shut down or downsize their establishment or activity to a specialised committee formed through a decree issued by the Prime Minister for this purpose.

The request submitted for closure or downsizing shall include the reasons for such, and the number of employees being terminated as well as their job classifications. Accordingly, the committee shall issue its decision within 30 days after the request's submission date, and if the request is approved by the committee, it must include the date of its implementation. Nevertheless, if the request is denied, the employer may in this case choose to appeal the decision in front of another committee. In any case, the downsizing request shall not be submitted by the employer during ongoing mediation or arbitration procedures according to Article (200) of the Labour Law.

Consequently, the employer will be required to pay the employee a reward consisting of their

gross monthly wage for each year spent in service, which is increased to a month-and-a-half for each year spent after the elapse of their first five years. This is according to Article (201) of the Labour Law.

Procedures

There are different paths to follow in terms of procedure unlike the previously mentioned collective redundancies procedures; the first being in compliance with mutual termination agreements, and the second being in compliance with Articles (69) and (71) of the Labour Law. The former is mutual with no outside requisition or external advice, while the latter is one-sided and has to go through litigation procedures as per the above-mentioned Articles. The application is also different for these two manners of carrying out severance pay, notice periods, and financial settlements. Accordingly, if the party wishing to terminate is the employer through a mutual termination agreement, they are bound to pay or settle any financial dues towards their employee, including but not limited to severance pay, unserved notice periods, and unused annual leave days. However, if it is the employee who wishes to resign or if the employee is being dismissed due to one or more of the nine reasons stipulated in Article (69), the employer in this case will not be obliged to pay the financial dues previously mentioned.

7.2 Notice Periods

As per Egyptian laws, notice periods are required to terminate employment contracts, either through the employer or the employee to establish a sense of security and trust in the work environment. If the employer chooses to terminate the employee's contract, they must put into consideration two conditions: the first being to serve a notice period to the employee, and the second is to terminate for either the employee's breach of fundamental obligations or their incompetency while making sure not to abuse the second condition or else they are going to likely face legal consequences, as well as notifying the employee in question with a written notice containing the legitimate reasons of their inadequacy or incompetency. On another note, if it is the employee who wishes to terminate the contractual relation with their employer, they must also serve a notice period, in addition to a written notice containing reasonings related to their health, social, or economic conditions as per Article (110). Moreover, notice periods may not be sent to the employee during their vacation days or else the period shall start on the day after the vacation is over. The notice period is also put on hold in cases where the employee is on sick leave and resumes on the day following the last vacation day as per Article (113). Furthermore, both parties in accordance with Article (114) shall assume their obligations towards one another during the notice period.

It is worth mentioning that notice periods vary depending on whether the employment contract is an unlimited-term employment contract or a fixed-term employment contract, excluding cases where the employee would be incapable of carrying out their job role due to incapacitation, or employees being terminated for reasons stipulated in Article (69), where in both cases the employee would not serve a notice period, and the employer will neither pay compensation in lieu of a notice period, or severance pay, nor financially settle the employee's unused annual leave days, and unlike cases of gross error that require the employer to resort to the labour bureau, notifying it of the employee's fundamental breach and waiting for the bureau's approval, no external advice or representation is necessary to financially settle an employee's dues whether

it may be in regards to mutual termination agreements or severance pay.

Unlimited-Term Employment Contracts

These are defined as employment contracts that do not have a fixed end date, and each party assumes their obligations until one notifies the other of their wish to stop obliging. If the employment contract is an unlimited-term one, and a party wishes to end it, they shall be required to leave a notice period of two months, with the exception of it being three months if the worker has been in service of the employer for a duration that exceeds ten years, in accordance with Article (111) of the Labour Law.

Fixed-Term Employment Contracts

The definition of such is a contract where the employment duration and both parties' obligations have a defined period set and agreed upon, and their obligations end only when the contract has reached its end date or the completion of the certain agreed-upon work in cases of contracts for completion of work. Notice periods for these types of contracts are not explicitly stipulated in the law but are rather a contractual obligation customarily included in employment contracts drafted in Egypt.

Severance Pay

There are no explicit rules in the Labour Law regulating severance pay for employees under the age of 60, whereas employees who have passed the age of 60 (retirement age) are, according to Article (126) of the Labour Law, deserving of a reward made up to be half the latest monthly salary they receive for each year of their first five years spent in service, and a full month's salary for every year thereafter, provided that the employee does not have old-age, incapacity, or death insurance.

It is worth mentioning that severance pay for employees under the age of 60 has been judicially settled according to the Egyptian Court of Cassation, severance pay – also referred to as end-of-service gratuity – is merely a donation in Egypt. It is an additional sum paid to the employee upon termination of their employment relationship, and the employer is not bound or obliged to pay it unless it is explicitly stipulated as a clause in the employee's contract, or in the internal regulations of the establishment, or if there is an established custom of paying it on a general, continuous, and fixed basis.

7.3 Dismissal for (Serious) Cause

Some errors are considered very serious under Egyptian laws, and if an employee commits one of them, their employment shall be terminated by a court order which shall be of an effective nature. Additionally, the dismissal for serious cause is governed by Article (69) of the Labour Law, where the employee has committed an offence so grave that they would be dismissed from resuming their work without assuming the benefit of either a notice period or severance pay or any other financial settlement. In this regard, although not explicit, in practice the judge's discretionary power to determine whether an offence is a fundamental breach or not is mainly measured with respect to the nine fundamental breach cases.

The fundamental breach cases mentioned in Article (69) of the Labour Law are as follows.

- Fraudulent misrepresentation: Where it is proven that the employee has either assumed and impersonated a false identity or submitted forged documents.
- Gross negligence: If it is proven that the employee has committed an error that resulted in grave damage to the employer,

provided that the employer informs the competent authorities – the police in cases of criminal offences and the labour bureau in non-criminal ones – of the incident within 24 hours of becoming aware of it.

- Repeated breach of safety rules: If the employee repeatedly fails to comply with the safety instructions implemented for protecting workers and the establishment, provided that these instructions are written and posted in a conspicuous place, and the employee has been warned in writing but still failed to comply.
- Excessive absenteeism: If the employee is absent without legitimate justification for more than 20 intermittent days within one year or more than ten consecutive days, provided that the dismissal is preceded by a written warning through a registered letter with acknowledgment of receipt after ten days of absence in the first case, and after five days of absence in the second case.
- Disclosure of trade secrets: If it is proven that the employee disclosed the secrets of the establishment at which the employee works, which has led to serious damage to the establishment.
- Competition with employer: If the employee competes with the employer in the same activity or field of business.
- Intoxication or drug use: If during working hours, the employee is found to be in a state of apparent intoxication or under the influence of narcotics.
- Assault and battery: If the employee assaulted the employer or the general manager, or if the employee has committed a serious assault against one of their supervisors during or as a result of work.
- Violation of specific provisions: If the employee fails to comply with the provisions stipulated in Articles (192) to (194) of the fourth book of this law, which stipulate peaceful strike rules.

Procedure

If the employee commits a fundamental breach which resulted from non-criminal gross negligence, the employer may notify the labour bureau within 24 hours of the time where the action was committed in non-criminal cases, or the police in criminal cases. The labour bureau then issues an approval to the request filed to dismiss the offending employee within 15 days of its first hearing regardless of whether the parties attended or not, which is enforced effective immediately. In case of the request being denied by the competent court, the employee assumes their job, and resumes their job functions, and the employer is obligated to pay them or any withheld benefits.

Consequences

When an employee is found guilty of committing any of the nine above-mentioned fundamental breaches, their employment is terminated and they are undeserving of end-of-gratuity pay, otherwise known as severance pay. Generally, in the event an employer terminates an employee, the latter is deserving of an end-of-gratuity pay of two months' wage for each year spent in service of the employer and three months if they have been in service for ten years or longer, which the terminated employee would be deprived of. Their service is also terminated effective immediately with neither a notice period nor pay in lieu of a notice period, in addition to losing their annual leave settlement which is pay in lieu of unused annual leave days.

In addition to Article (69), Article (129) also stipulates serious grounds where an employer may terminate the employment contract without facing penalties or consequences. Termination

would be lawful if an employee is convicted of a felony or an offence that offends and contradicts honour, trust, and public morals, unless the court issues an order to suspend the sentence; whereas Article (67) stipulates that if the employee is charged – not convicted – with a felony or an offence that offends and contradicts honour, trust, and public morals, their employer may temporarily suspend them and notify the labour court mentioned in Article (71) of this law within the three days after the suspension date; if the court finds the suspension adequate, the employee becomes deserving of half their monthly wage from the date of suspension, and if not, they become deserving of their full monthly wage from the date of suspension. If the competent authority does not acquit the case and the employer is deemed innocent, they shall be reinstated to resume their job and have their due financials settled, otherwise it is deemed as unlawful termination. If the charge was maliciously notified through the employer to have the employee suspended, they shall pay the employee all their full unpaid wage during the suspension period.

7.4 Termination Agreements

Termination agreements in Egyptian law are applicable to both fixed contracts and unlimited-term contracts. The purpose is for the employer to dismiss the employee while providing them a termination package without resorting to labour courts. The manner of implementing the termination agreements differs depending on whether the employment contract is a fixed-term or an unlimited-term contract.

Unlimited-Term Contracts

If the termination is abrupt by the employer, they are then required to give the terminated employee gratuity pay which consists of a two-month wage for each year spent in service of the employer and a three-month wage if the employee has spent more than ten years in service. The terminated employee is also eligible for a two-month wage in lieu of notice, and three months as above-mentioned in case of spending ten or more years in service. Lastly, the terminated employee's annual leave days are calculated, and are also financially settled; meaning that they get compensatory pay in lieu of the days that were not taken off on annual leave.

Fixed-Term Contracts

It is customary for fixed-term employment contracts' term to be concluded for a short duration which is usually one year to allow smooth implementation of the termination agreements. In the event an employer wants to conclude a mutual termination agreement with their employee with fixed-term employment contracts, they shall pay the terminated employee the rest of their deserved wage until the end date, which is stipulated in their employment contract, in addition, to pay in lieu of their notice period and the financial settlement of unutilised annual leave days. In any case, the employee shall sign a mutual termination agreement declaring the receipt of all rights, and that the employer owes them nothing further and their contractual relationship has been terminated.

7.5 Protected Categories of Employee

There are three employee categories protected from dismissal; (i) female employees; (ii) union members; and (iii) obligatory military services.

Female Employees

According to Articles (91) and (92) of the Labour Law; female employees are eligible for 90 days of maternity leave in addition to a compensation package that includes their full wage for the duration prior to and following their delivery date, provided that they submit a medical certifi-

cate indicating the probable due date. It is also prohibited for a female worker to be in service during the 45 days following the birth of her newborn. This benefit comes with restrictions, for a female worker is not entitled to maternity leave more than twice for the duration of the worker's employment relationship. Consequently, the Labour Law protects women from terminations, and employers are prohibited from dismissing female employees during their maternity leave.

Union Members

The Labour Law protects workers' right to unionise and participate in union activities. It is stipulated in multiple articles of the law that a worker's participation in a trade union is not a lawful ground for termination, and if a request were to be filed to the labour court requesting an employee's termination on grounds of unionising, it would be denied. It is also stipulated in Article (122) that if an employee is unlawfully terminated, they shall be compensated by the employer. See **8.1 Wrongful Dismissal**.

Obligatory Military Services

It is found in Article (43) of the Military and National Service Law No 127/1980 that men serving their obligatory military service for which the duration is either one or three years, may retain their jobs. The article mandates that employers in government agencies, local government units, public authorities, public sector entities, companies, associations, private institutions, and employers with ten or more employees must reserve the job or position of any employee who is conscripted for national service but may temporarily fill their position until they are fit to assume their role again. The employee has the right to retain their position on condition that they request the re-employment within 30 days of discharge from military service, and the employer must reinstate the employee within 60 days of receiving the request. The law makes sure to protect and secure men serving their country and stipulates that in the event an employee is unfit for their original position due to injuries sustained during military service but is capable of performing other work, they shall be re-employed in a position suitable to their post-military status, in addition to entitling all employees on military service the right to retain promotions, bonuses, and other benefits as if they were actively working. Another added benefit to military-serving employees during their probationary period is that they are considered to have successfully completed it returning to their work post-military service.

8. Disputes

8.1 Wrongful Dismissal

Grounds for Wrongful Dismissal Claims

The Labour Law explicitly sets out the grounds for wrongful dismissal or unlawful termination in Article (120).

- Discrimination against race, sex, social status, family responsibilities, pregnancy, religion, or political views.
- The employee's affiliation to a union or participation in the union's activity in respect to the frameworks of the law.
- An employee assuming representation of their fellow work colleagues or having assumed this role in the past, or planning to assume this role.
- Submitting or filing a complaint against the employer or participating collectively in doing so in protest of violation of laws, regulations, or employment contracts.
- Sequestration of an employee's dues by the employer.

- An employee exercising their right to use leave laid out for them by the law.

Consequences of Wrongful Dismissal

It is also indicated in the same law what consequences an employer who wrongfully dismisses an employee would face in Article (122). In the event an employee is unlawfully terminated on the above-mentioned grounds, they shall resort to the labour court seeking compensation which shall not be less than two months' wage per year spent in service including the employee's rights stipulated by the law which are their annual leave days calculated and financially settled in addition to pay in lieu of their notice period. In the case of union affiliation, the unlawfully terminated employee may request from the court to assume their job as they initially were before the unlawful termination.

8.2 Anti-discrimination

Discrimination is unfavourable and wildly intolerable in Egypt, and the Egyptian legislature has ensured the implementation of laws protecting minorities to ascertain their safety and security in addition to their right to have a peaceful and respectful work environment, the same as their colleagues.

In this regard, it is found in both Articles (35) and (88) of the Labour Law that it is prohibited to discriminate in wages due to sex, origin, language, religion, or belief, as well as it being prohibited to discriminate against women in the workplace.

Penalties

If discrimination in accordance with Article (35) by the employer against the employee is proven, the former shall be subject in accordance with Article (247) to criminal penalties where a fine of minimum EGP100 and maximum EGP500 shall be imposed on them, and if the discriminatory action is proven to have happened due to the fact the claimant is a woman as mentioned in Article (88), then Article (249) stipulates that the perpetrator shall be subject to a fine of minimum EGP100 and maximum EGP200. Nevertheless, the fine shall be multiplied in correlation with the number of violated employees and shall be doubled in case of recidivism.

8.3 Digitalisation

As of late, there have been no new regulations passed regarding the digitalisation of disputes or the attendance of court proceedings virtually. However, the Egyptian government recognises the efficiency and importance of digitalisation and has already taken crucial steps to digitalise a multitude of sectors including implementing electronic litigation for economic courts where it is now possible to access the economic court website and utilise its services, which include filing new lawsuits and being able to follow up on ongoing lawsuits, submitting required documents or memoranda needed to proceed with the lawsuit, and the possibility to pay all court fees and expenses using any electronic payment method, ensuring convenience. The new perk is not only limited to filing the lawsuit, but it also extends to the possibility of electronically filing an appeal.

Moreover, the Egyptian Ministry of Justice has recently implemented a new feature on its website enabling any disputing party to inquire about the court docket, the status of a lawsuit, and the possibility of an appeal which has proven to be very beneficial and convenient to disputing parties, and has proven to be relevant in employment disputes for both employers and employees who may access the website and inquire about their ongoing lawsuit swiftly and expeditiously.

9. Dispute Resolution

9.1 Litigation

Employee Forums

As per Article (71) of the Labour Law, litigation concerning any individual – not collective – employment disputes shall be referred to labour courts, which are composed of one or more divisions of the primary court. These courts shall summon a representative of the relevant trade union, and another representative of the employers' organisation to be present during the dispute's hearing for the purpose of having their professional opinions on the matter, and the court shall proceed with the case regardless of their appearance or absence in court.

The labour court shall promptly issue an enforceable judgment, even if appealed, on an employer's request to terminate an employee within 15 days from the date of the first hearing. If the request is denied, the court orders the reinstatement of the employee and obliges the employer to pay any outstanding dues, and any non-compliance from the employer is considered unlawful termination, making the employee deserving of compensation in accordance with Article (122) of the Labour Law.

Class Action Claims

Egyptian laws primarily focus on individual claims rather than collective or class action claims. Class action lawsuits in employment disputes are when a large group of individuals have one or more of their fellow colleagues affected by the same issue file a single lawsuit and sue their employer in a collective manner on their behalf.

The labour courts in Egypt specialise in individual claims rather than collective ones. In this regard, collective claims as mentioned below in **9.2 Alternative Dispute Resolution** may not be litigated, but only mediated or arbitrated if collective amicable negotiations fail, unlike class action claims which are likely litigated in other jurisdictions.

Legal Representation

Both claimants and plaintiffs (ie, employee and employer) should preferably have an attorney present before the labour court through a notarised Power of Attorney (PoA).

9.2 Alternative Dispute Resolution

Alternative dispute resolutions are only permissible for collective labour agreements as mentioned in the Labour Law, whereas as per Article (169) of the Labour Law, if a dispute arises, the parties are required to amicably settle through the collective bargaining agreements mentioned in **6.3 Collective Bargaining Agreements**, and if the negotiations fail after 30 days from their initiation date, either party may – as per Article (170) – resort to mediation followed by arbitration in case of failure of mediation as follows.

If the parties choose to proceed with mediation, the mediator shall be selected through a list issued by the Minister of Manpower and Immigration of mediators with no personal interest, no previous participation in the dispute, and experienced enough in the disputed matter through a decree issued by the Minister of Manpower and Immigration in consultation with the General Egyptian Trade Union Federation. Accordingly, the competent administrative authority shall determine the costs, the party bearing the costs, and the duration for which the mediator may conclude their mission with a maximum of 45 days.

In accordance with Article (180), the commencement of arbitration proceedings after the failure

of mediation begins upon a formal request submitted by either the employer or the trade union, and if the request is initiated by the workers, it shall then be submitted by the head of the trade union committee or by the competent general trade union, pending the approval of the general trade union's board of directors. The dispute file shall be referred to the arbitration panel through the competent administrative authority within two days of the request's submission date.

Generally, disputes are mediated before being arbitrated, but exceptionally, Article (181) grants either party to disputes arising in vital or strategic establishments the opportunity to resort straight to arbitration without the need to go through mediation first. The competent administrative authority shall refer the dispute to the arbitration panel within a maximum period of one week from the date of filing a request to the arbitration panel, and it must be accompanied by a memorandum detailing the subject matter of the dispute.

9.3 Costs

Filing Fees

In general, the claimant must pay the judicial fees determined by the clerk while submitting their statement of claim. Paying these expenses is necessary for registering the case before the court, taking into account that the Judicial Fees Law No 90 of 1944 (the "Judicial Fees Law"). However, Article (6) of the Labour Law exempts the employees from paying the previously-mentioned judicial fees for filing any labour lawsuits. Exceptionally, if the filing of the labour lawsuit is rejected due to any procedural grounds, the court in this case may charge the claimant to pay all or part of the judicial fees.

Attorney Fees

As per Article (187) of Law No 147/2019 amending Articles in Attorney Law No 17/1983, attorney fees shall be collected to the benefit of the Egyptian Bar Association by the Minister of Justice and are imposed by the court. However, generally speaking, the winning party may request from the losing party the fees they paid their attorney as part of the claimed compensation ("Attorney Fees"), which may be awarded to them by the court. In this regard, it shall be noted that these Attorney Fees are not the actual Attorney Fees that are being paid to the attorneys. In this regard, the said Article provides that the Attorney Fees that shall be paid before the primary and the administrative courts are only EGP75. However, it should be noted that it is permitted to request the actual fees paid by the client to their attorney as part of the components of the claimed compensation, and it may be awarded by the court as compensation according to its absolute discretion.

Losing Party Fees

According to the Egyptian laws and regulations, if the losing party is the employer, such employer will incur the payment of the Attorney Fees and the judicial fees, which relates to the labour dispute. However, if the losing party is the employee, such employee will be exempted from paying any judicial or Attorney Fees.