

International Comparative Legal Guides

# Employment & Labour Law 2026

A practical cross-border resource to inform legal minds

16<sup>th</sup> Edition

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# Egypt



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## 1 Terms and Conditions of Employment

### 1.1 What are the main sources of employment law?

The primary source of employment law in Egypt is the Egyptian Labour Law No. 14 of 2025 (“**ELL**”), which took effect on September 1, 2025, superseding ELL No. 12 of 2003. Beyond the ELL, additional sources of employment law include the Civil Code (Articles 674–698), ministerial decrees and executive regulations issued by the Ministry of Manpower, ratified international conventions, and Egyptian Constitution (notably Articles 12, 13, 14, 17 and 27). Article 229 of the ELL further clarifies the scope of sources that adjudicators must consider when resolving employment disputes by requiring them to consider the applicable national legislation, ratified international conventions, principles of natural law, custom, and social justice, in light of the prevailing economic and social conditions of the establishment’s location.

### 1.2 What types of worker are protected by employment law? How are different types of worker distinguished?

Under the ELL, workers in the private sector are generally protected, including foreign employees working in Egypt unless their individual or collective contracts contain a specific provision stating otherwise. Article 1 identifies only two categories excluded from the law’s scope: employees of the State, including those in local administrative units and public authorities; and domestic workers and those in comparable roles. All other workers fall within the protections established by the ELL.

With respect to distinguishing between different types of workers, the ELL does not categorise workers based on the nature of their duties or the type of work they perform. The law treats covered workers as a single group for the purposes of general applicability. Nevertheless, the ELL contains specific provisions that apply to particular categories, such as women, children, or workers in industrial establishments, reflecting the need for tailored rules in certain circumstances. These provisions do not alter the general scope of the ELL but operate as specialised rules where expressly provided by the law.

### 1.3 Do contracts of employment have to be in writing? If not, are employers required to give employees specific information in writing?

Under Article 89 of the ELL, employment contracts must be made in writing. The employer is required to prepare

the contract in Arabic and issue it in four copies: one for the employer; one for the employee; one filed with the competent social insurance office; and one submitted to the competent administrative authority. Where the employee is a foreign national who does not speak Arabic, the contract may be prepared in both Arabic and the employee’s language, with the Arabic version prevailing in case of interpretive conflict.

If no written contract exists, either party may prove the employment relationship, its duration, and all related rights through any legally recognised means of evidence. In all cases, however, the employer must provide the employee with a written receipt for any documents or certificates deposited with the employer.

### 1.4 Are there any minimum employment terms and conditions that employers have to observe?

Article 89 of the ELL sets out the minimum terms that must appear in every employment contract. At a minimum, the contract must specify the start date of employment, the identity and address of the employer, and the employee’s personal details, qualifications, and occupation. It must also set out the nature and type of work to be performed and the agreed wage, including when and how it is paid as well as any additional monetary or in-kind benefits. These elements form the baseline contractual requirements that employers must observe when documenting the employment relationship.

In addition to these mandatory contractual particulars, employers must comply with other minimum employment terms established elsewhere in the ELL. These include the statutory minimum wage as set by the most recent decision of the National Council for Wages, rules on working hours and rest periods, annual leave entitlements, and the termination rules that apply depending on the type of the agreement. These statutory rights operate alongside the contractual requirements of Article 89 and must be fully observed in all employment relationships.

### 1.5 Are terms and conditions of employment normally agreed through collective bargaining? Does bargaining usually take place at company or industry level?

Collective bargaining is not the standard basis for agreeing employment terms in Egypt. Individual employment contracts are generally concluded directly between the employer and the employee, while collective bargaining applies in the context of a collective labour agreement, which is a mechanism specifically

regulated by the ELL. Under Article 1, collective bargaining involves negotiations between one or more employers, or their organisations, and one or more trade union organisations, with the purpose of reaching agreement on matters of mutual interest. Any agreement resulting from this process takes the form of a written collective labour agreement, concluded between the trade union organisation and the employer or the relevant group of employers, and it regulates working conditions and terms of employment for the workers it covers.

According to Article 195, collective bargaining may occur at several levels: at the level of an establishment or its branches; at the level of a specific occupation or industry; or at the regional or national level. This allows bargaining to take place where appropriate, but it does not alter the general rule that most employment relationships are governed by individual employment contracts unless covered by a duly concluded collective labour agreement.

## 2 Employee Representation and Industrial Relations

### 2.1 What are the rules relating to trade union recognition?

Trade union recognition in Egypt is governed by Law No. 213 of 2017 on Trade Union Organizations and its Executive Regulations. Under Article 4, workers have the right to form and join trade union organisations without discrimination, in accordance with the procedures set by law. A trade union organisation may not be established on religious, sectarian, racial, or political grounds, nor in any manner contrary to the Constitution or the law, as clarified in Article 5, and its internal statutes must be free from any discriminatory rules pursuant to Article 6.

For a trade union to be recognised as a legal entity, Article 10 requires it to be established on a democratic basis and to acquire legal personality upon depositing its founding documents with the competent administrative authority. Once recognised, trade unions are entitled to represent their members and defend their collective rights, including before courts, as provided under Article 9.

### 2.2 What rights do trade unions have?

Trade union organisations in Egypt derive their rights principally from Law No. 213 of 2017, including:

- **The right to form and join unions:** Workers, without discrimination, may establish, join, or withdraw from trade union organisations.<sup>1</sup>
- **The right to litigate:** Unions may bring actions and intervene in disputes to defend their own and their members' collective rights.<sup>2</sup>
- **The right to strike:** Peaceful strikes may be organised in line with the union bylaws and the law.<sup>3</sup>
- **Autonomy and self-governance:** Unions freely draft their bylaws, elect leaders, and manage internal affairs without outside interference.<sup>4</sup>
- **Financial independence:** Unions may collect dues, manage funds, and establish strike or welfare funds under their own financial rules.<sup>5</sup>
- **Protection from interference:** Employers are prohibited from obstructing union activities; violations are punishable by fines.<sup>6</sup>

### 2.3 Are there any rules governing a trade union's right to take industrial action?

Both the Trade Union Law No. 213 of 2017 and the ELL regulate the right to take industrial action, with the strike being the principal form of lawful action. Under Article 14 of Law 213 of 2017, trade union organisations may organise a peaceful strike, but only in accordance with the procedures laid down in their own statutes and subject to compliance with the applicable legislation.

Article 231 of the ELL grants workers the right to strike to pursue their professional, economic or social interests, but only after all amicable dispute-resolution procedures under the ELL have been exhausted. A strike may be declared and organised solely through the competent trade union organisation or the designated labour representative and must follow the statutory procedures. Article 232 requires prior notice: both the employer and the competent administrative authority must be notified at least 10 days in advance, by registered letter with acknowledgment of receipt, including the reasons for the strike and its scheduled timing.

The law also imposes explicit prohibitions. Article 233 forbids calling or announcing a strike for the purpose of amending a collective labour agreement during its validity. Article 234 prohibits strikes in vital establishments providing essential public services whose interruption would compromise national security, as well as during exceptional circumstances. During a lawful strike, Article 235 provides that contractual obligations under the employment contract are suspended for the duration of the strike.

Together, these provisions affirm the legality of industrial action but subject it to strict procedural and substantive limits designed to balance workers' rights with the protection of critical services and public interests.

### 2.4 Are employers required to set up works councils? If so, what are the main rights and responsibilities of such bodies and do they have co-determination rights?

Egyptian law does not require employers to establish "works councils" as understood in European labour systems. Instead, Law No. 213 of 2017 permits workers to form a workplace union committee where at least 50 workers join the organisation.<sup>7</sup> The formation of such a committee is a right of the workers, not an obligation imposed on the employer.

Where formed, the workplace committee undertakes functions that serve as the closest equivalent to works councils activities. Under Article 15, it is responsible for resolving individual and collective disputes affecting its members, concluding collective labour agreements at establishment level, participating in the preparation of collective agreements with the general union, taking part in discussions on production plans, and contributing to the drafting or amendment of internal work regulations. It also implements the service programmes of the general union.

The law does not grant workplace committees co-determination rights in the sense of shared managerial decision-making authority. Their role is participatory and consultative, particularly in relation to collective bargaining, dispute resolution, internal regulations and production plans, but managerial decisions ultimately remain with the employer.

### 2.5 Are employees entitled to representation at board level?

Employees in the private sector do not have any statutory entitlement to board-level representation, and employers in the private economy are not required to allocate board seats to employees. Board composition in private companies is governed solely by corporate law and shareholder arrangements.

A limited exception applies in the public sector and public business sector. Under Law No. 18 of 2018, public sector units must allocate at least 50% of the elected board seats to employee representatives, while public business sector companies follow the representation rules of Law No. 203 of 1991. In both cases, the chair of the workplace union committee must be invited to board meetings, though without voting rights unless elected.

Thus, employee board representation in Egypt exists only as a sector-specific mechanism and is not a general feature of corporate governance across the wider private sector.

## 3 Discrimination

### 3.1 Are employees protected against discrimination? What types of discrimination are unlawful and on what grounds?

Egyptian law provides broad and explicit protection against discrimination in employment, drawing its foundations from the Constitution and expanding in detail through the ELL, the Trade Union Law, and sector-specific legislation such as the Disabilities Law. The Constitution enshrines the principle of equality in Articles 9, 11 and 53, prohibiting discrimination on grounds that include religion, belief, sex, origin, race, colour, language, disability, social class, political or geographical affiliation, and “any other reason”. These guarantees extend specifically to women, children, and other vulnerable groups, and require the State to take proactive steps to eliminate discrimination and to protect individuals against violence and exclusion.

The ELL reflects these constitutional guarantees in a comprehensive statutory prohibition. Article 5 expressly forbids any act, conduct or practice that results in discrimination in recruitment, advertising, training, working conditions, or rights arising from the employment relationship. The protected grounds mirror those listed in the Constitution and include religion, creed, sex, origin, race, colour, language, disability, social status, political or union affiliation, geographical origin and any comparable reason that undermines equality or equal opportunity. Article 53 further reinforces equal pay for work of equal value and applies the general rules governing employment to women without distinction. The ELL further classifies certain discriminatory motives as “unlawful reasons” for dismissal, including union affiliation, political opinion, pregnancy, marital status, family responsibilities, colour, sex, and the exercise of statutory rights such as filing a complaint.<sup>8</sup>

Anti-discrimination protections also extend to trade union activity. Under the Trade Union Law No. 213 of 2017, workers have the right to form and join unions without discrimination, and unions themselves may not be founded on religious, ideological, racial or political bases. Employers are prohibited from retaliating against workers for union membership or activity, from discriminating in wages or benefits on that basis, or from interfering with the exercise of lawful union functions.<sup>9</sup>

Finally, Law No. 10 of 2018 strengthens the protections afforded to persons with disabilities by prohibiting

discrimination on the basis of disability, guaranteeing equality in the enjoyment of rights, and requiring the State to remove barriers that impede full participation.

### 3.2 Are there any special rules relating to sexual harassment (such as mandatory training requirements)?

Egyptian law adopts a multi-layered approach to combating sexual harassment in the workplace. At the core, Article 4 of the ELL prohibits harassment, bullying, forced labour and all forms of verbal, physical or psychological violence against workers, and requires each establishment’s internal regulations to specify the disciplinary sanctions applicable to such conduct. This internal compliance duty is supplemented by Article 254, which obliges all establishments and their branches to maintain a safe, non-hostile working environment that is free from harassment, bullying and violence, and to provide preventive measures to protect workers.

Criminal law operates alongside these obligations. Articles 306 A *bis* and 306 B *bis* impose stringent penalties for sexual harassment and aggravated forms of harassment, including where the conduct occurs in the workplace or where the perpetrator holds a position of authority over the victim. The sanctions escalate significantly when aggravating circumstances apply, reaching up to 10 years of imprisonment. These criminal provisions reinforce the workplace prohibitions contained in the ELL and underline the seriousness with which the law treats harassment in employment settings.

In addition, the ELL introduces supportive institutional mechanisms. Articles 273 and 274 establish the Social, Health and Cultural Services Fund, which possesses legal personality and provides services designed to improve workers’ wellbeing across the public, public-business and private sectors. Among its functions, the Fund is authorised to organise awareness programmes and finance developmental projects aimed at creating safe workplaces free from violence, harassment and bullying, provided resources are available. This adds a preventive, educational dimension to the statutory framework by enabling joint initiatives between employers, workers and the Fund to promote a safe organisational culture.

Although the law imposes clear obligations on employers, prohibiting harassment, requiring internal disciplinary systems, mandating safe work environments and establishing complaint mechanisms, it does not introduce mandatory training requirements. Awareness programmes may be provided through the Fund, and employers may adopt them voluntarily, but training is not a statutory obligation.

### 3.3 Are there any defences to a discrimination claim?

Egyptian law recognises limited circumstances in which differential treatment does not amount to unlawful discrimination. The primary statutory defence appears in Article 5 of the ELL, which provides that favourable measures adopted for the benefit of women, children, persons with disabilities and persons of short stature do not constitute prohibited discrimination, so long as those measures are necessary to achieve their protective purpose. This exception reflects the wider constitutional commitment to substantive equality and the protection of vulnerable groups and allows employers to implement protective or supportive policies without risk of liability.

Beyond this statutory exception, an employer may also defend a discrimination claim by demonstrating that the challenged action was not taken on a prohibited ground but

was instead based on legitimate and objective considerations such as performance, qualifications or operational needs. The burden in such cases is factual rather than legal and does not expand the categories of lawful differential treatment.

### 3.4 How do employees enforce their discrimination rights and what remedies are available? Can employers settle claims before or after they are initiated?

Employees may enforce their discrimination rights through the individual labour-dispute mechanisms established under the ELL. Either party may, without prejudice to the right to litigate, refer the dispute to the tripartite committee under Article 149, which seeks an amicable settlement within 21 days. If no settlement is achieved, and either party elects to proceed directly, the claim may be brought before the competent labour court under Article 150, which hears discrimination and dismissal matters and is required to expedite proceedings in termination disputes.

These judicial routes operate alongside a detailed system of statutory penalties. Under Article 281, violations of Article 5, including discrimination and unequal treatment, are punishable by a fine of not less than EGP 5,000 and not more than EGP 50,000, multiplied by the number of affected workers and doubled in case of recurrence. Article 288 imposes additional fines of EGP 500 to EGP 5,000, also multiplied per worker and doubled on repeat violation, for breaches of equal-pay obligations under Article 53.

Employers may settle discrimination-related employment claims at any stage, whether during the optional amicable-settlement process or at any point during judicial proceedings. However, where the underlying conduct amounts to a criminal offence, the matter may fall within categories of felonies that cannot be extinguished by private settlement.

### 3.5 Are there any specific rules or requirements in relation to whistleblowing/employees who raise concerns about corporate malpractice?

Egypt does not have a dedicated whistleblower protection law. Employees may report wrongdoing, but the legal framework does not provide a comprehensive system of protection against retaliation. This legislative gap is expressly acknowledged in Egypt's National Anti-Corruption Strategy 2023–2030, which notes that whistleblower protection mechanisms are absent and identifies their development as a national priority.

To mitigate the absence of a statutory whistleblower protection framework, employers may adopt internal policies regulating workplace conduct, ethical reporting, discrimination, and employee treatment. These policies can set out procedures for raising concerns, confidentiality safeguards, investigation steps, and prohibitions on retaliation. Their effectiveness, however, depends on mutual acknowledgment and adherence by both employer and employees.

### 3.6 Are employers required to publish information about their gender, ethnicity or disability pay gap, or salary or other diversity information?

Egyptian law does not require employers to publish gender pay gap reports, ethnicity-based pay data, disability pay gap information, or any other form of diversity-related salary disclosure. There is no equivalent obligation to the reporting regimes found in some other jurisdictions.

That said, the ELL contains strong substantive equality obligations, including equal pay for work of equal value<sup>10</sup> and prohibitions on discrimination based on sex, disability, origin, religion, political affiliation and other grounds,<sup>11</sup> but these duties do not extend to public reporting or disclosure requirements. Employers must comply with equality rules internally, yet they are not required to publish workforce composition or pay gap statistics.

## 4 Maternity and Family Leave Rights

### 4.1 How long does maternity leave last? Is a woman entitled to return to the same job after maternity leave?

Under the ELL, maternity leave lasts for a period of four months. Article 54 grants female employees a fully paid maternity leave of four months, covering both the pre-delivery and post-delivery periods, with a mandatory minimum of 45 days taken after childbirth. This leave is available up to three times during the employee's service.

Upon completing maternity leave, the employee is entitled to return to her job or to an equivalent position with no loss of benefits. Article 55 expressly prohibits employers from dismissing or terminating a female employee during maternity leave and similarly prohibits termination after her return unless the employer can demonstrate a legitimate reason for dismissal. The only exception concerns cases where the employee works for another employer during her leave, in which case she may lose her wage entitlement for the leave period without prejudice to disciplinary measures.

### 4.2 What rights, including rights to pay and benefits, does a woman have during maternity leave?

During maternity leave, a woman is entitled to full paid leave for a period of four months under Article 54 of the ELL. The employer remains responsible for paying the woman employee her salary throughout the leave period and is prohibited from terminating her employment during maternity leave or immediately upon return, unless a lawful and justified ground for dismissal is proven.

The ELL interacts with the Social Insurance Law No. 148 of 2019 to regulate the financing of maternity pay. Under Article 77, the Social Insurance Authority pays the insured woman a maternity benefit equal to 75% of her insured wage, provided she has completed at least 10 months of insurance contributions. The employer continues to pay the employee her salary and may offset from this amount the value of the maternity benefit paid by the Social Insurance Authority. The employee therefore receives her full wage during maternity leave, while the employer recovers part of the cost through the social insurance mechanism.

In addition to paid maternity leave, pregnant workers have the right to reduced working hours, by at least one hour per day beginning from the sixth month of pregnancy and cannot be required to work overtime during pregnancy or for six months following childbirth.<sup>12</sup> These protections collectively aim to safeguard maternal health and ensure continuity of employment.

### 4.3 Do fathers have the right to take paternity leave?

Under the ELL, fathers do not have a standalone or extended paternity leave entitlement comparable to maternity leave.

Unlike the old Labour Law, which did not recognise any paternity-related leave at all, Article 128 of the new ELL introduces a limited paternal entitlement: a one-day fully paid emergency leave on the day of the child's birth. This day does not count toward the employee's annual leave balance and may be used up to three times during the entire period of employment.

#### 4.4 Are employees entitled to other types of parental leave or time off for caring responsibilities?

Employees have access to several forms of parental-related leave under the ELL, primarily directed at supporting working mothers. Article 56 grants a breastfeeding mother, during the two years following childbirth, two additional daily nursing breaks of at least 30 minutes each, which may be combined and are counted as paid working time without any reduction in wages. In establishments employing 50 workers or more, Article 57 entitles a female employee to unpaid childcare leave for up to two years per child, available up to three times during her employment, provided she has completed at least one year of service and that a minimum of two years separates the first and second leave periods.

Importantly, Child Law No. 12 of 1996 extends these benefits beyond biological mothers. A female employee who has custody of an infant under six months old, whether in the public sector, public business sector, or private sector, is entitled to several rights given to a biological mother. This includes the paid nursing breaks during the first two years of the child's life and the right to unpaid childcare leave of up to two years (available three times during service).

#### 4.5 Are employees entitled to work flexibly or remotely, for example if they have responsibility for caring for dependants?

Egyptian law does not grant employees an automatic right to request flexible or remote work on the basis of caring responsibilities. However, the ELL expressly recognises several "new forms of work", including remote work, part-time work, flexible scheduling, and job-sharing. These arrangements are permitted where agreed between the employer and employee and are treated as fully valid employment relationships. Articles 96–100 provide that workers engaged under these models enjoy the same statutory rights and protections as traditional employees, including minimum wage guarantees, social insurance coverage, and access to training and collective bargaining.

The law therefore enables, but does not mandate, flexible or remote working arrangements. Employees, whether caregivers or otherwise, may only work remotely or flexibly if both sides agree and the terms are recorded in a written (paper or electronic) contract. In all cases, the parties may tailor working hours, place of work, or shared duties, provided that the employee's statutory rights remain intact. Employers are not obliged to approve such requests, but the legal framework facilitates their adoption where mutually desired.

## 5 Business Sales

#### 5.1 On a business sale (either a share sale or asset transfer), do employees automatically transfer to the buyer?

Under Article 11 of the ELL, employees transfer automatically to the buyer (or successor) in the event of a business sale or

any form of succession, whether through merger, demerger, inheritance, gift, sale (including public auction) assignment, lease, or any other form of business transfer. The law expressly provides that such transactions do not terminate existing employment contracts. Instead, the employment relationship continues uninterrupted with the successor entity.

#### 5.2 What employee rights transfer on a business sale? How does a business sale affect collective agreements?

On a business sale, all employment rights and obligations transfer automatically to the buyer. Article 11 of the ELL provides that none of the contractual terms, whether relating to wages, seniority, benefits, working conditions, or any other contractual entitlement, are affected by the transfer, and the successor is jointly liable with the previous employer for the full scope of these obligations. Employees therefore retain continuity of service and are entitled to enforce all rights that existed prior to the transfer as if no change in ownership had occurred.

Collective agreements concluded at the establishment level also continue to apply following the transfer. In practice, this means that any collective terms governing working conditions, benefits, or dispute resolution mechanisms remain binding on the buyer until they expire or are lawfully renegotiated in accordance with Egyptian collective bargaining rules.

#### 5.3 Are there any information and consultation rights on a business sale? How long does the process typically take and what are the sanctions for failing to inform and consult?

The ELL does not impose information and consultation rights in the event of a business sale. Even though the law itself is silent, employees may still have some protection under collective bargaining agreements, individual employment contracts, and the general duty of good faith.

There are also no statutory procedures, timelines, or sanctions for failing to inform or consult employees; such obligations apply only in cases of closure or downsizing, not transfers. Legal implications may arise, however, if the sale leads to other unlawful actions, such as unfair dismissal, discrimination, and breach of accrued rights, which would result in labour courts ordering compensation or reinstatement.

#### 5.4 Can employees be dismissed in connection with a business sale?

Employees cannot be dismissed solely because a business is sold. Under Article 11 of the ELL, a transfer of an establishment does not terminate employment contracts, and the successor employer assumes responsibility for all existing obligations. Accordingly, dismissals connected purely to the transfer itself would be unlawful.

However, the ELL allows dismissals where an independent economic justification exists, and not because of the business transfer itself. Under Article 236, an employer may, for economic necessity, decide to close all or part of the establishment or reduce its size or activity, which may affect the workforce temporarily or permanently. Any such steps must follow the strict procedures and approvals set out in the law.

Accordingly, a business sale does not justify dismissal, but lawful economic grounds, properly documented and processed under Articles 236–241, may allow termination unrelated to the transfer itself.

### 5.5 Are employers free to change terms and conditions of employment in connection with a business sale?

No. In the context of a business sale, employment contracts transfer to the buyer with their existing terms and conditions preserved. Any modification of those terms generally requires either the employee's consent or a justification based on economic necessity in accordance with the ELL, and such changes must be reasonable, proportionate, and compliant with statutory requirements. Unless the contract expressly provides the employer with a limited right to adjust certain conditions, alterations cannot be imposed unilaterally and should instead be agreed with the affected employees or their representatives.

## 6 Termination of Employment

### 6.1 Do employees have to be given notice of termination of their employment? How is the notice period determined?

Yes. Employees must be given notice of termination, but the required notice depends on the type of employment contract.

For fixed-term contracts, Article 154 provides that the contract simply expires at the end of its agreed term without a need for notice. However, if a fixed-term contract is concluded or renewed for a period exceeding five years, the employee may terminate it after five years by giving the employer a three-month written notice, with no compensation payable.

For indefinite term contracts, Article 156 states that either party may terminate the employment relationship provided they give the other party three months' written notice. This notice is mandatory unless the termination falls within one of the special statutory situations governed by Article 165.

### 6.2 What protection do employees have against dismissal? Do employers have to get consent from a third party before dismissing an employee?

Employees are afforded strong protection against dismissal under the ELL. Article 148 states that termination as a disciplinary sanction may only be ordered by the competent labour court, while employers may impose only lesser disciplinary measures on their own authority. Dismissal is permitted solely in cases of gross misconduct, illustrated by examples such as impersonation or the use of forged documents, causing serious harm to the employer, repeated breaches of written safety instructions, disclosure of trade secrets resulting in significant damage, competing with the employer's business, intoxication during working hours, or assaulting the employer or senior management.

If the employer dismisses an employee without lawful grounds or without following statutory procedures, the termination is deemed unlawful, and compensation depends on the type of contract. For indefinite term contracts, Article 165 entitles the employee to compensation of no less than two months' wage for each year of service, in addition to all other statutory and contractual entitlements. For fixed-term contracts, Article 154 provides that if an employer ends a fixed-term contract before its expiry, the employee is entitled to one month's salary for each year of service.

Accordingly, dismissal is strictly regulated: it requires court approval, must be grounded in serious misconduct, and exposes employers to significant compensation obligations if the dismissal is unlawful.

### 6.3 Do any categories of employee enjoy special protection against dismissal?

Yes. Several categories of employees benefit from enhanced protection against dismissal under the ELL and other applicable legislation.

Pregnant employees and new mothers enjoy strong statutory protection. Under Article 55 of the ELL, a woman may not be dismissed during maternity leave or upon her return, unless the employer can establish a lawful and legitimate reason unrelated to maternity. She is entitled to return to her original position, or an equivalent role, without any loss of benefits. Dismissal during this protected period is expressly prohibited.

Employees on sick leave are also protected. Article 173 provides that an employer may not terminate an employee due to illness unless the employee has exhausted their full sick leave entitlement and any remaining paid annual leave. Even then, the employer must give at least 15 days' prior notice of the intended termination. If the employee recovers before notice is completed, termination on grounds of illness is not permitted.

Further, employees performing compulsory military service benefit from protection under Article 43 of the Military Service Law No. 127 of 1980. Employers must preserve the employee's job, or an equivalent position, throughout the period of conscription, retention, or recall. Upon completion of service, the employee must be reinstated within the prescribed timelines and continues to accrue promotions, increments, and service credit as if actively employed.

These statutory safeguards ensure that employees in particularly vulnerable circumstances, such as maternity, illness, or compulsory military service, are shielded from dismissal except in narrowly defined situations and subject to strict procedural requirements.

### 6.4 When will an employer be entitled to dismiss for: 1) reasons related to the individual employee; or 2) business-related reasons? Are employees entitled to compensation on dismissal and if so, how is compensation calculated?

An employer may dismiss an employee only in the limited circumstances permitted by the ELL. Dismissal for individual-related reasons is allowed in the following circumstances:

- Gross misconduct, which includes fraudulent misrepresentation, gross negligence, repeated breach of safety rules, disclosure of trade, competition with employer, intoxication or drug use, and assault.<sup>13</sup>
- Death.<sup>14</sup>
- Total incapacity.<sup>15</sup>
- Attaining the age of 60.<sup>16</sup>
- Exhausting sick leaves.<sup>17</sup>
- Being convicted of a crime involving honour or integrity.<sup>18</sup>

Dismissal for business-related reasons is also regulated. Under Article 236, an employer may reduce the workforce for economic necessity by wholly or partially closing the establishment, or reducing its size or activity, whether temporarily or permanently. These measures must follow the strict procedures and conditions prescribed by the ELL, including committee review and consultation mechanisms.

Employees are entitled to compensation where dismissal occurs without proper notice or without legitimate cause. If an employer terminates an indefinite term employment contract without providing the required prior notice, or before the notice period has expired, then the employee shall be entitled to compensation of an amount equal to the wage for the full

notice period or the remaining portion thereof. Where termination occurs without a legitimate cause, it shall be deemed unlawful. Then, the employee shall be compensated with no less than two months' wages for each year of service, without prejudice to any other entitlements due under the law.<sup>19</sup> In a fixed-term employment contract, if the employer terminates the contract before its expiry, the employee shall be entitled to compensation of one month's wage for each year of service.<sup>20</sup>

#### 6.5 What claims can an employee bring if they are dismissed? What are the remedies for a successful claim and can employers settle claims?

An employee who is dismissed may bring a range of claims depending on the circumstances of the termination. The most common claim is that the dismissal was unlawful, either because the statutory grounds for termination were not met or because the employer failed to follow the procedures required under the ELL. Employees may also challenge dismissal on the basis of lack of notice, economic dismissal irregularities, or dismissal during protected periods, such as maternity leave or sick leave.

When an employee succeeds in a dismissal claim, the primary remedies are financial compensation. For indefinite contracts, Articles 164–165 entitle the employee to compensation of no less than two months' wages for each year of service if the dismissal is found to be without legitimate cause, in addition to payment *in lieu* of notice when the employer fails to observe the required notice period. For fixed-term contracts, Article 154 provides that compensation equals one month's wage for each year of service.

Employers may settle dismissal claims at any stage. Under Article 149, either party may refer the dispute to the tripartite amicable-settlement committee, which attempts a resolution within 21 days. If settlement is achieved, the agreement is recorded and becomes enforceable once endorsed by the relevant judge. Even after the matter proceeds to court under Article 150, settlement remains possible, and the parties may resolve the dispute consensually at any point before judgment is issued.

#### 6.6 Does an employer have any additional obligations if it is dismissing several employees at the same time?

Yes. When an employer intends to dismiss multiple employees for economic reasons, the ELL imposes special procedures. Under Articles 236–241, the employer must first apply to a specialised committee, explaining the economic grounds and identifying the affected categories of workers. The committee must approve the measure before any dismissals can proceed. Once approval is granted, the employer must notify the workers and the relevant trade union organisation.

If the workplace lacks an agreed set of objective selection criteria, Article 239 requires the employer to consult the trade union to determine fair criteria, such as seniority or family responsibilities, before selecting employees for dismissal. Article 240 also prohibits initiating economic dismissal procedures during collective dispute settlement or because of a strike. Thus, collective dismissals require committee authorisation, notification, and consultation, providing additional safeguards beyond those applicable to individual terminations.

#### 6.7 How do employees enforce their rights in relation to mass dismissals and what are the consequences if an employer breaches its obligations?

Employees may enforce their rights in cases of mass dismissal primarily through the procedures established in Article 237 of the ELL. An employee may challenge the committee's decision to approve the closure of the establishment or the reduction of its size or activity by filing an appeal before the secondary committee constituted for this purpose. Acceptance of the appeal suspends the execution of the original decision until the appeal is resolved.

If, instead of dismissal, the employer opts to apply temporary contractual changes under Article 241, the employee may terminate the contract without notice, and such termination is deemed justified for both parties, while still entitling the employee to the severance prescribed in the Article.

Where the employer breaches the statutory procedures for economic or collective dismissals, Article 295 imposes penalties. Violations of Articles 236, 237, or 239, governing economic closures, specialised committee acceptance, and selection criteria, result in a fine ranging from EGP 3,000 to EGP 10,000 per affected employee, which is doubled in the event of repeat offences.

## 7 Protecting Business Interests Following Termination

#### 7.1 What types of restrictive covenants are recognised?

Egyptian law does not provide a standalone regime for post-termination restrictions, but several statutory provisions collectively support the enforceability of covenants designed to protect the employer's legitimate business interests. The following types of restrictive covenants are recognised, provided that they are reasonable in scope, duration, and geography.

- **Confidentiality and trade-secret obligations:** Employees are legally required to maintain industrial and commercial secrets even after termination under Article 685 of the Civil Code. Article 136 of the ELL further prohibits retaining or disclosing documents, data, or information belonging to the employer.
- **Non-compete restrictions:** Civil Code Articles 686–687 expressly regulate post-termination non-compete clauses where the employee had access to clients or confidential information. To be valid, the restriction must be narrowly tailored in terms of time, place and type of work. The employer may not rely on the clause if it wrongfully terminated the employment, and any excessive penalty invalidates the entire non-compete.
- **Non-solicitation of clients and employees:** Article 66 of the Commercial Law treats acts such as diverting clients, creating confusion in the market or inducing employees to reveal secrets as forms of unlawful competition. This supports the recognition of non-solicitation clauses.
- **Intellectual property and invention clauses:** Articles 7 and 8 of the Intellectual Property Law grant employers rights over inventions created within the scope of employment and may extend employer rights to inventions filed within a certain period after departure. Accordingly, clauses clarifying ownership and restricting misuse of employer intellectual property or know-how are recognised.

Overall, restrictive covenants are enforceable in Egypt where they protect a legitimate interest and do not unreasonably prevent the employee from working.

#### 7.2 When are restrictive covenants enforceable and for what period?

Restrictive covenants are enforceable if they are reasonable in scope, duration, geography, and protect a legitimate business interest without placing an undue hardship on the restricted party. Enforcement and typical duration vary depending on the type of covenant and the mutual agreement between the employer and employee. Additionally, Egyptian courts have wide authority to interpret, narrow, or disregard restrictive covenants. They assess reasonableness on a case-by-case basis and may limit the duration, geography, or scope to what is objectively necessary.

#### 7.3 Do employees have to be provided with financial compensation in return for covenants?

Nothing in Egyptian law requires employers to provide separate or additional compensation in exchange for restrictive covenants. Post-termination obligations, such as non-compete or confidentiality clauses, are governed by mutual consent and the general rules of the Civil Code. Accordingly, any financial consideration related to such covenants must be expressly agreed between the parties but is not a statutory prerequisite for validity.

#### 7.4 How are restrictive covenants enforced?

Restrictive covenants are enforced in Egypt through civil (contractual) claims, as there is no specialised statutory regime for post-termination restrictions. If an employee breaches a valid restriction, the employer may file a contractual liability claim seeking damages for the loss suffered, request injunctive relief to halt the competing or harmful activity, or invoke any agreed penalty clause, provided it is not excessive, as Article 687 of the Civil Code empowers the court to strike down both the penalty and the non-compete if it is deemed coercive. Courts exercise wide discretion when assessing such clauses, ensuring they are reasonable in duration, geography, and scope, and that they genuinely protect a legitimate business interest.

## 8 Data Protection and Employee Privacy

#### 8.1 How do employee data protection rights affect the employment relationship? Can an employer transfer employee data freely to other countries?

Employee data protection rights significantly shape the employment relationship by limiting how employers may collect, use, store, monitor, or disclose employee information. Under the Personal Data Protection Law No. 151 of 2020 (“PDPL”), employers must process data only for specific and legitimate employment-related purposes, ensure transparency, apply strict security measures, and respect employees’ rights to access, correct, or object to unlawful processing.<sup>21</sup> These obligations require employers to adopt compliant internal policies, update contracts and human resources (“HR”) procedures, and train staff handling personal data.

Cross-border transfers are strictly regulated. Under Article 14 of the PDPL, personal data may not be transferred, stored, or shared with a foreign country unless that country ensures a level of protection at least equivalent to Egyptian law, and the transfer is authorised or licensed by the Personal Data Protection Centre.

#### 8.2 Are employers entitled to carry out pre-employment checks on prospective employees (such as criminal record checks)?

Yes. Egyptian law permits employers to conduct a wide range of pre-employment checks. Ministerial Decree No. 185 of 2003 expressly lists the documents that an applicant must provide when applying for a job. Under Article 2 of the Model Work Regulations in the mentioned Decree, an employer may legitimately require certificates and documents including: proof of identity and age; educational qualifications; military service status; medical fitness; prior employment certificates; work permits for foreigners; social status declarations; and a criminal record certificate.

This means that employers are legally entitled to request and review a criminal record check as part of the hiring process. However, these checks must still respect the PDPL, meaning employers should only use such information for legitimate hiring purposes and keep it confidential.

#### 8.3 Are there any restrictions on how employers use AI in the employment relationship (such as during recruitment or for monitoring an employee’s performance or productivity)?

There are currently no explicit legal restrictions regulating the use of Artificial intelligence (“AI”) in recruitment or employee monitoring in Egypt. Any use of AI must, however, comply with the PDPL, particularly regarding the lawful processing of personal data, transparency, consent, and data security obligations.

## 9 The Future

#### 9.1 What are the most significant labour market developments on the horizon in the next 12 months?

Over the next 12 months, Egypt’s labour market is expected to undergo a significant transition as the new ELL begins to take full effect. Employers will need to revise contracts, internal policies, and HR practices to align with the law’s expanded framework on flexible work models, enhanced maternity and paternity rights, anti-harassment obligations, and more structured procedures for economic dismissals. Several provisions of the law still require executive regulations, which are expected to introduce more detailed and operational requirements for employers.

On the other hand, economic fluctuations, combined with a sustained national push for digital transformation and the rapid expansion of e-commerce, are also expected to reshape labour-market dynamics. These trends are likely to influence demand for new skill sets, accelerate the shift toward technology-enabled work models, and drive structural adjustments in businesses seeking resilience and competitiveness. As Egypt pursues inclusive economic growth, these forces are anticipated to support the creation of more productive job opportunities, particularly in sectors reliant on automation, digital services, and platform-based business models.

## Endnotes

- 1 Articles 4–6.
- 2 Article 9.
- 3 Article 14.
- 4 Article 64.
- 5 Articles 14 and 64.
- 6 Articles 47–48.
- 7 Article 11.
- 8 Article 165.
- 9 Articles 4–6 and 47–48.
- 10 Article 53.
- 11 Article 5.
- 12 Article 54.
- 13 Article 148.
- 14 Article 169.
- 15 Article 170.
- 16 Article 171.
- 17 Article 173.
- 18 Article 174.
- 19 Articles 164–165 of the ELL.
- 20 Article 154 of the ELL.
- 21 Articles 2–3.



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