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A practical cross-border resource to inform legal minds

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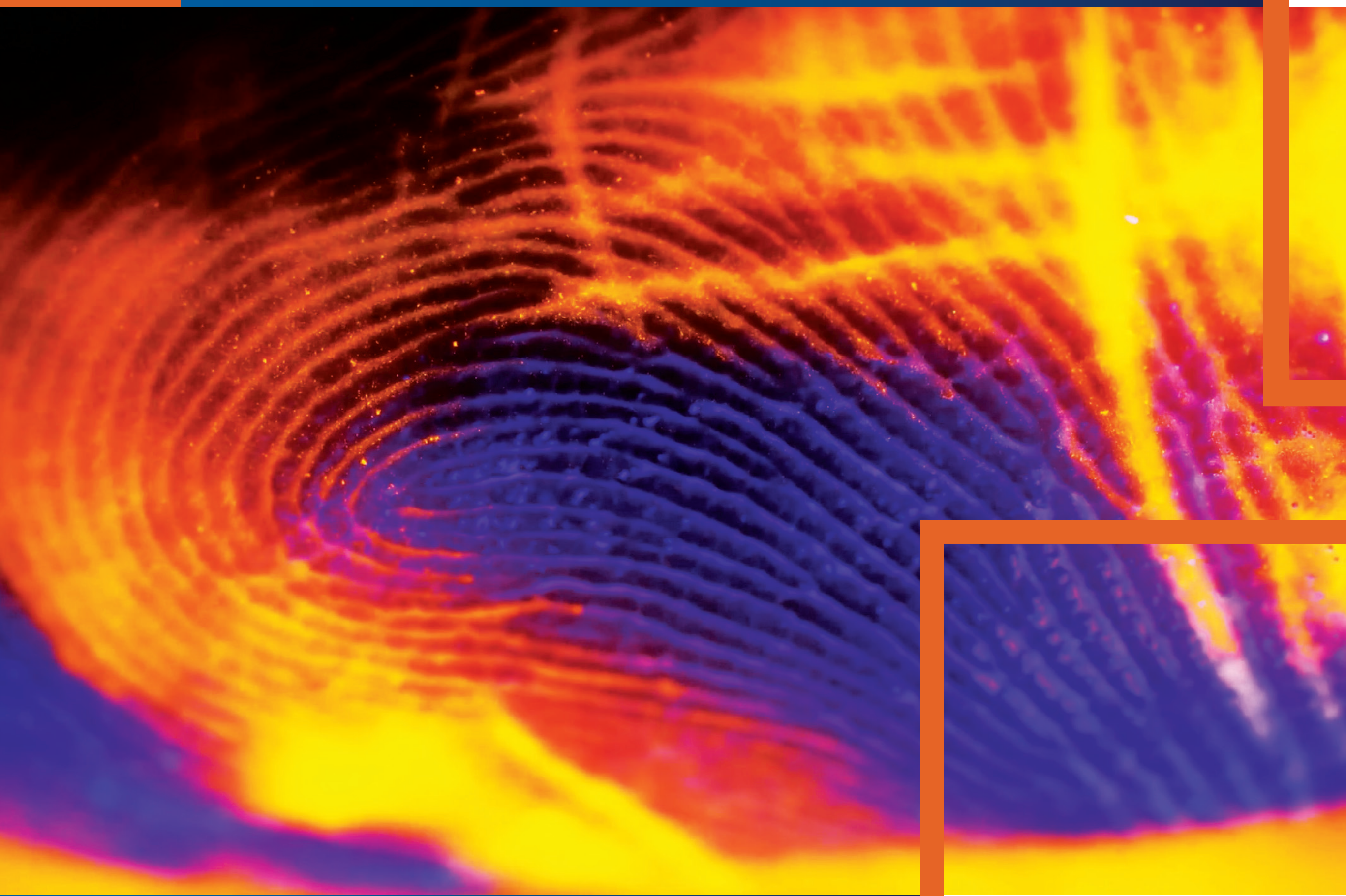

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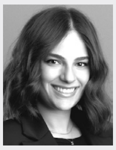
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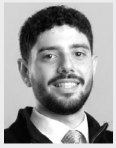
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1 The Fintech Landscape

1.1 Please describe the types of fintech businesses that are active in your jurisdiction and the state of the development of the market. Are there any notable fintech innovation trends of the past year within particular sub-sectors (e.g. payments, asset management, peer-to-peer lending or investment, and insurance) including those relating to cryptoassets, tokenisation and artificial intelligence?

Egypt has witnessed unprecedented growth in its fintech industry over the past few years. According to 2024 market data, the market is valued at approximately USD 765 million and hosts more than 177 startups across 14 subsectors. Among these, 139 startups specialise in delivering fintech solutions, while 38 companies focus on offering technological services that integrate embedded financial capabilities. Together, they span 14 subsectors, with 60% concentrating on lending and alternative finance, payments and remittances, and business-to-business marketplaces. Additional segments include data analytics, artificial intelligence (AI), open banking, healthtech, insurtech and personal finance management.

Key subsectors:

- **Payments and Remittances**: This remains the leading and most mature sector in Egypt. It encompasses digital wallets, mobile payments, point-of-sale solutions, and domestic and cross-border money transfers. Prominent players include Fawry, Paymob and InstaPay, which have established extensive electronic payment networks.
- **Buy Now, Pay Later**: This sector has experienced significant growth in recent years, led by major players such as Valu and MNT-Halan.
- **Regtech**: Tools like electronic identity verification and anti-money laundering (AML) systems are enhancing compliance and safeguarding the financial ecosystem. Multiple players exist such as Digified and Valify.
- **Wealthtech**: Robo-advisors and investment platforms are democratising wealth management and making investments more accessible. When operated by non-banking financial institutions, these platforms fall under the regulations of the Financial Regulatory Authority (FRA). Thndr, Dash and Bel Baqy operate in this subsector.

Moreover, the sector is currently undergoing a phase of accelerated expansion, supported by rising adoption of digital payments and sustained regulatory backing. Increased smartphone penetration, projected to reach approximately 65% of the population, has broadened access to mobile banking and digital payment services, contributing to a marked rise in mobile money transactions. Concurrently, government initiatives and the introduction of a dedicated fintech regulatory framework have strengthened the institutional landscape, fostering innovation while advancing financial inclusion objectives.[1]

This momentum is reflected in the performance of Egypt's prepaid card and digital wallet market, which is expected to grow by 15.6% annually to reach approximately USD 4.36 billion in 2026, following a Compound Annual Growth Rate of 17.7% between 2021 and 2025, with further growth to USD 7.17 billion by 2030 projected. Growth is driven by bank-sponsored prepaid issuance supported by fintech distribution models, as well as a structural shift toward application-based onboarding, domestic scheme deployment such as Meeza, and increased wallet tokenisation.[2] The continued expansion of e-commerce, which is expected to reach approximately USD 7.5 billion, further reinforces the demand for secure and efficient digital payment solutions.[3]

Against this backdrop, digital payments and tokenisation have emerged as defining trends within the market, propelled by coordinated regulatory initiatives and private-sector innovation. The Central Bank of Egypt (CBE) has introduced card tokenisation on mobile applications in collaboration with Apple Pay, reinforcing the transition toward a cashless economy and strengthening consumer confidence in digital transaction channels. Complementing these efforts, the FRA has launched the first integrated digital payment network for the non-banking financial sector, digitising regulatory settlements and embedding secure electronic payment mechanisms within supervisory processes.[4]

Financial institutions are similarly advancing their digital transformation strategies. Faisal Islamic Bank of Egypt, in partnership with Intellect Design Arena, has deployed a digital engagement platform designed to streamline onboarding, integrate self-service functionalities and expand digital access for retail clients, with scalability to support small and medium enterprises (SMEs) and corporate customers.[5]

Innovation is also progressing within the asset management and AI-driven advisory space. The FRA issued Decree No. 57 of 2024, establishing Egypt's first regulatory framework for robo-advisors. These AI-based systems provide automated portfolio formation, management and rebalancing services, marking a significant regulatory milestone for the wealthtech sector. In parallel, the FRA has introduced a regulatory sandbox framework enabling non-bank financial institutions and registered startups to test innovative products and business models in a controlled environment, fostering market development while preserving consumer protection and regulatory compliance, including in peer-to-peer lending.

1.2 Are there any types of fintech business that are at present prohibited or restricted in your jurisdiction (for example cryptoasset-based businesses)?

While cryptoassets are not specifically regulated under Egyptian law, cryptocurrencies on the other hand, and their related activities, remain significantly restricted in Egypt and are effectively prohibited in practice. Pursuant to Article 206 of the Banking Law No. 194 of 2020, the issuance, trading, promotion or creation of cryptocurrencies or electronic money without a licence from the CBE is expressly prohibited. Violations may result in imprisonment and/or fines ranging from EGP 1 million to EGP 10 million. To date, no licensing framework has been made available for private cryptocurrency activities, and the regulatory position continues to reflect a firmly restrictive approach.

In parallel, both the CBE and the FRA have issued public warnings cautioning individuals and institutions against engaging in cryptocurrency-related activities. These statements emphasise that cryptocurrencies are neither issued nor guaranteed by any central bank or official authority, and highlight associated risks, including extreme price volatility, exposure to fraud and cybercrime, and the potential use of such assets in financial crimes and illicit transactions.[6]

2 Funding For Fintech

2.1 Broadly, what types of funding are available for new and growing businesses in your jurisdiction (covering both equity and debt)?

Funding represents a key pillar of the CBE's FinTech and Innovation Strategy (2019). Accordingly, a dedicated fintech and fintech-enabled investment fund was launched in March 2022, led by Banque Misr, the National Bank of Egypt, and Banque du Caire, in partnership with the Egyptian Banks Company, eFinance Investment Group and Mastercard. The fund seeks to become the largest fintech-focused fund in the Middle East and Africa, with a target capital of USD 150 million, and aims to support Egypt's transition toward a digital and financially inclusive economy.

The fund targets both early-stage and growth-stage startups that are either operating in Egypt or planning to enter the Egyptian market.[7]

In Egypt, businesses can access funding through:

- **Equity Financing**: Such as venture capital, private equity, angel investors, accelerators, incubators and crowdfunding.
- **Debt Financing**: Bank loans, non-banking financial institutions, government programmes and venture debt.

According to Fintech Egypt, a platform powered by the CBE, local fintech firms, fintech-enabled startups and payment service providers (PSPs) secured over USD 796.5 million in funding in 2023.

This includes:

- USD 437.7 million in private equity investments.
- USD 358.8 million in venture capital investments, reflecting a 28.7x increase over the past three years.

Over the past four years, most fintech funding has consistently come from venture capital and angel investors, who together accounted for around 65% of total investments. However, in 2022, private equity investment increased significantly, representing 55% of total fintech funding that year.

While early-stage funding in Egypt remains relatively limited, with a median seed round of USD 200,000 compared to a global median of USD 821,000, Egyptian startups demonstrate stronger performance at later-stage funding rounds. In particular, the median Series A round in Egypt reaches USD 7 million, surpassing the global average of USD 6 million.

Hence, fintech accounted for approximately 18% of Egypt's total venture capital funding, positioning the country as the third-largest fintech ecosystem in the MENA region. Furthermore, according to the Global FinTech Startup Ecosystem Report, Egypt ranks 10th among 100 emerging fintech startup ecosystems.

In the first half of 2023, fintech funding in Egypt reached USD 291 million. This figure dropped sharply in H1 2024 to USD 39 million, representing an 87% decline, mainly due to the absence of large-scale "mega-deals" such as Halan's USD 260 million funding round in 2023. Despite this decline, fintech still accounted for 45% of total startup funding in H1 2024. At the same time, investment in the information technology (IT) solutions sector doubled, driven by significant technology investments. This shift reflects a growing diversification in Egypt's startup ecosystem, with investor interest expanding beyond fintech alone.

Moreover, the Egyptian fintech sector ranks second in Africa for venture capital investments, solidifying its positions as one of the top four African hotspots for venture capital activity.

In terms of recent regulatory developments, the FRA has introduced rules governing digital platforms for collective investment in real estate investment funds, private equity funds and venture capital funds. This framework provides an innovative financing mechanism for startups while enabling fintech companies to develop technology-driven investment models within a regulated environment.[8]

Additionally, under Egypt's participation in the Horizon Europe programme, Egyptian startups including fintech companies may access the same funding opportunities available to EU startups, including the European Innovation Council Accelerator, which provides grants of up to EUR 2.5 million and potential equity investments of up to EUR 10 million to support deep-tech innovation.[9]

Overall, the Egyptian venture capital market faced challenges, with total investments amounting to USD 89 million. Nevertheless, Egypt maintained its position as the third most-funded country in the MENA region, underscoring the resilience and potential of its fintech sector.

2.2 Are there any special incentive schemes for investment in tech/fintech businesses, or in small/medium-sized businesses more generally, in your jurisdiction, e.g. tax incentive schemes for enterprise investment or venture capital investment?

Fintech companies in Egypt currently do not benefit from specialised incentives specifically tailored to the fintech sector. However, they can still benefit from broader incentives available under the general tax legislative schemes as well as special legislation, such as:

- **The Investment Law No. 72 of 2017**: Which provides tax breaks and customs reductions for businesses in technology zones or innovative fields, as well as exemptions from administrative fees.
- **The MSMEs Law No. 152 of 2020 (MSMEs Law)**: Micro, small and medium enterprises (MSMEs) can benefit from various tax and non-tax incentives and facilitations, such as funding opportunities, administrative fee exemptions and customs reductions, among other benefits. Furthermore, Article 32 of the MSMEs Law allows

the granting of the same benefits to incubators and accelerators too, subject to an administrative review and approval.

- **The Tax Incentives and Facilitations Law No. 6 of 2025**: Enterprises that make a yearly turnover that is less than EGP 20 million, whether registered with the Egyptian Tax Authority (ETA) or not, may benefit from tax exemptions, as well as reduced income tax. In implementation of this law, the ETA has recently issued the first package of its tax incentives and facilities. This initiative is open to all kinds of businesses, including fintech. Furthermore, the Head of the ETA has announced that a second package of tax facilitations has been released for public consultation in preparation for its official launch.[10]

2.3 In brief, what conditions need to be satisfied for a business to IPO in your jurisdiction?

The main legal instrument governing IPOs in Egypt is the FRA's Decree No. 11 of 2014, pursuant to the Capital Market Law No. 95 of 1992.

Accordingly, for a business to IPO in Egypt, it must be a joint-stock company and have at least two financial statements approved by an auditor. Additionally, the company must have achieved a net profit of at least 5% of the capital subject to the IPO. The eligible capital for listing should be at least EGP 100 million or its equivalent in foreign currencies. The number of issued shares must be at least five million, which should constitute either 25% of the total number of shares or 0.025% of the free-floating market capitalisation on the stock exchange, with no less than 10% of the company's shares.

Furthermore, a commitment must be provided that shareholders owning 10% or more of the company's share capital, or any shareholders replacing them, shall retain at least 51% of the shares they hold in the company's capital, where such shares are available, and there must be a minimum of 300 shareholders. The board of directors is required to include at least 25% female representation or no fewer than two female members, ensuring diversity and inclusivity within the company's governance structure.

Foreign shares can also be listed in the Egyptian Exchange Market, provided they are already listed on a foreign exchange market regulated by an authority equivalent to the FRA. The shares must be denominated in EGP or other convertible currencies and comply with Egyptian accounting standards. The foreign company's capital must be at least USD 100 million, or USD 10 million for SMEs. Additionally, the number of shareholders post-IPO must not be fewer than 150, and the company is required to have a legal representative in Egypt, among other conditions.

Afterwards, the company will be able to register on the Egyptian Exchange (EGX), which comprises the Cairo Exchange and Alexandria Exchange. A special exchange also exists for SMEs, the Nile Stock Exchange, with a paid-in capital between EGP 1 million and EGP 100 million.

2.4 Have there been any notable exits (sale of business or IPO) by the founders of fintech businesses in your jurisdiction?

In the past years, Egypt has witnessed several notable fintech exits through public markets and strategic transactions. Most prominently, Fawry completed a landmark IPO on the EGX, followed by the listing of eFinance, both of which represented groundbreaking public market exits for the sector. While no exits of a comparable scale have occurred more recently, other significant transactions include the exits of Kashat and PayTabs.

Expanding on these exit pathways, a notable recent example is the public listing of Valu on the EGX. The transaction took a non-traditional approach, with its parent company, EFG Holding, distributing Valu shares to existing shareholders as a dividend in kind rather than conducting a primary capital raise. The debut generated exceptional investor demand: the share price surged 852.4% on the first trading day, reaching the maximum permitted price ceiling and resulting in a market capitalisation of approximately USD 370 million. This marked the first time a consumer finance company listed on the EGX through such a structure, representing a significant liquidity event within the fintech ecosystem.[11]

Egypt has also witnessed alternative liquidity structures. For instance, Catalyst Partners, a Special Purpose Acquisition Company (SPAC) listed on the EGX, saw its share price rise nearly 20% above the initial trading level upon debut. Although trading was initially limited to qualified investors, the listing demonstrates growing sophistication in capital market structures and offers a potential pathway for future fintech exits through de-SPAC or expansion transactions.[12]

3 Fintech Regulation

3.1 Please briefly describe the regulatory framework(s) for fintech businesses operating in your jurisdiction, and the type of fintech activities that are regulated.

Egypt's fintech industry operates under a framework combining non-fintech-specific laws and specific financial regulations:

Non-fintech-specific laws include:

- The Telecommunications Law No. 10 of 2003, which regulates digital communication services provided by licensed telecommunication service providers. It also governs mobile wallets, cloud services and data centres.
- The E-Signature Law No. 15 of 2004, which enables electronic contracts and electronic authentication methods, supervised by the Information Technology Industry Development Agency.
- The Data Protection Law No. 151 of 2020 (PDPL), and its executive regulations. However, the banking sector is excluded from its scope of application, as the CBE is the competent authority in this regard.
- The Anti-Cyber and Information Technology Crimes Law No. 175, which addresses illegitimate online activities that compromise data security.

The banking sector is regulated by the Banking Law No. 194 of 2020, which has special chapters on electronic payments, digital banks and the role of the CBE in issuing special regulations to govern these matters, including the issuance of licensing rules for payment service operators (PSOs) and PSPs.[13]

On the other hand, the non-banking financial sector, such as consumer finance, insurance and capital markets, is regulated by the FRA. In addition to the various FRA decrees, regulating different aspects of the non-banking fintech industry, the main legislation governing this sector is the Fintech Law No. 5 of 2022.

The vast majority of fintech activities are subject to their respective specialised rules. However, certain grey zones could arise in practice. In this case, approaching legal experts, as well as the competent authority, is recommended.

3.2 Are financial regulators and policy-makers in your jurisdiction receptive to fintech innovation and technology-driven new entrants to regulated financial services markets, and if so how is this manifested? Are there any regulatory 'sandbox' options for fintechs in your jurisdiction?

Egyptian financial regulators and policy-makers have shown strong support for fintech innovation and new technology-driven entrants in the financial services market. The CBE and the FRA have launched several initiatives to foster this growth. Notably, several regulatory sandboxes have been introduced. The CBE's banking fintech sandbox, launched in 2019, provides a controlled environment for fintech companies to test innovative business models facing regulatory uncertainties. Similarly, the FRA, in collaboration with the EGX, established the CORBEH sandbox as an innovation hub and platform for the non-banking fintech sector, governed by the Fintech Law No. 5 of 2022. Building on these efforts, in 2024, the FRA launched the regulatory sandbox for technology applications to enable non-banking financial institutions to utilise fintech as well as entities seeking to be registered or already registered to conduct tests on innovative financial technology applications, including business models and related mechanisms.[14]

Furthermore, the FRA has showcased its strategic commitment to strengthening and accelerating the digital transformation of the non-banking financial sector by integrating advanced technological capabilities within its regulatory framework. In this regard, the FRA has partnered with specialised providers in cybersecurity, cloud services and data solutions, including Liquid C2, Cyber Force and JRNY, to enhance the operational resilience, scalability and innovation capacity of market participants operating within the sandbox environment.[15] It has also signed several memoranda of understanding with innovation hubs and accelerator platforms to further accelerate digital transformation within the non-banking financial sector.[16]

Moreover, the CBE has implemented the FinTech and Innovation Strategy (2019), positioning Egypt as a regional fintech hub through initiatives like Fintech Egypt, which connects startups, regulators and investors. Other notable programmes include the Digital Egypt Strategy to enhance digital infrastructure, the youth-focused FinYology programme, NilePreneurs and the Nclude Fund, which allocates USD 85 million to accelerate fintech innovation. Furthermore, under the supervision of the CBE, special programmes have been adopted for funding and mentoring fintech startups.

Additionally, at a broader policy level, the Egyptian government has demonstrated support for entrepreneurship and innovation through initiatives such as the Egyptian Charter for Startups issued by the Ministerial Group for Entrepreneurship, which aims to strengthen the startup ecosystem, support the growth of up to 5,000 startups, and contribute to job creation and increased investment in the sector.[17]

3.3 What, if any, regulatory hurdles must fintech businesses (or financial services businesses offering fintech products and services) which are established outside your jurisdiction overcome in order to access new customers in your jurisdiction?

Fintech businesses established outside of Egypt are required to abide by the specific licensing requirements that govern their specific activities. These requirements are generally set by the FRA, for the non-banking financial sector, and by the CBE, for the banking sector.

For the banking sector, by way of illustration, foreign institutions that wish to operate payment systems or provide payment services to residents in Egypt must obtain a licence from the CBE. The institution must already be licensed by its home regulatory authority and must also meet at least one of the following conditions: (i) be supervised by an authority that applies the Principles for Financial Market Infrastructures; or (ii) have at least three consecutive years of experience operating payment systems or providing payment services in other countries outside Egypt.[18]

As for the non-banking financial sector, the FRA has issued specific regulations governing various types of fintech activities. However, certain general rules continue to apply across all fintech activities. These rules establish the key requirements for obtaining a licence to offer fintech products and services in Egypt, whether the provider is an Egyptian or a foreign financial institution. Such requirements typically include demonstrating adequate technical and financial capability and being supported by well-established financial institutions, among other regulatory conditions.[19]

In both the banking and non-banking financial sectors, obtaining the required licences can be a long and complex process. While some subsectors such as wealth management and savings, property technology, payments and remittances, and lending and alternative finance tend to face relatively fewer regulatory hurdles, the licensing process can still be demanding. Other subsectors, including insurtech and rotating savings and credit associations, often encounter even stricter regulatory challenges. As a result, the lengthy and complicated licensing procedures can create barriers for new market entrants. For this reason, it is advisable to collaborate with local firms or establish a local affiliate to better navigate these complexities.

3.4 How is your regulator approaching the challenge of regulating the traditional financial sector alongside the regulation of big tech players entering the fintech space?

The CBE and FRA are tackling the challenge of regulating both traditional financial institutions and big tech players in the fintech space through a structured and phased regulatory framework. This approach gradually integrates fintech, boosts the supply of fintech services and products by enhancing market conditions, and fosters demand through public awareness initiatives.

Moreover, both regulators apply licensing requirements within their respective sectors, which generally include minimum capital requirements, support from an established financial institution, corporate governance requirements, operational guidelines and consumer protection requirements. In addition, the regulatory sandboxes introduced by the CBE and the FRA allow fintech companies to test innovative solutions in a controlled environment, helping regulators assess potential operational and technological risks.

This regulatory framework is also supported by legislation addressing cybersecurity, as well as the regulation of the collection and processing of personal data.

Despite these efforts, certain challenges remain, such as overlapping regulatory responsibilities, continuously evolving regulatory policies, high compliance costs and other regulatory barriers.

4 Other Regulatory Regimes / Non-Financial Regulation

4.1 Does your jurisdiction regulate the collection/use/transmission of personal data, and if yes, what is the legal basis for such regulation and how does this apply to fintech businesses operating in your jurisdiction?

The PDPL, is the general legislation governing the collection, use and transmission of personal data, along with its executive regulations.[20]

The PDPL, however, does not regulate fintech that falls under the oversight of the CBE, such as payment solutions, as the CBE remains the competent authority to regulate personal data treatment in this regard. On the other hand, non-banking fintech falls under the PDPL's scope of application. Consequently, non-banking fintech players need to pay special attention to the PDPL. Therefore, a higher threshold of protection is imposed over fintech firms. This includes the requirement to obtain a special licence and approval (for cross-border data transfers) from the Personal Data Protection Center (Center) in order to collect, transfer, store, keep, process or give access to financial data.

Furthermore, as financial data is classified as sensitive personal data under the PDPL, strengthened consent requirements are applicable, materialised in the necessity of obtaining the written and explicit consent of the data subject. Additional requirements might emerge from the Center's future practice.

4.2 Do your data privacy laws apply to organisations established outside of your jurisdiction? Do your data privacy laws restrict international transfers of data?

The PDPL has an extraterritorial scope that is based is based on nationality, residence and effects-based criteria, as set out in its second article of issuance. Under this framework, the PDPL applies to non-Egyptian nationals and organisations residing abroad, provided that the following conditions are met:

1. One of the offences stipulated under the PDPL has been committed.
2. The same act is punishable under the law of the country where it was committed, irrespective of its legal characterisation.
3. The personal data concerned relates to Egyptian nationals or to foreign nationals residing in Egypt.

Additionally, cross-border transfers of personal data for processing, storage, sharing or availability are restricted under the PDPL and its executive regulations, prohibiting them without a licence or permit based on adequacy assessments of the recipient country's protections, alongside explicit data subject consent, specified countries, routes, systems adopted for securing such data, and general descriptions of technical standards in applications, in accordance with the licence or permit issued to it by the Center and in a manner commensurate with the volume and nature of the data. Updates are mandatory for changes, specifically conditioning availability to foreign controllers/processors on shared legitimate group interests and equivalent legal and technical safeguards matching Egypt's standards.[21]

4.3 Please briefly describe the sanctions that apply for failing to comply with your data privacy laws.

The PDPL includes an extensive arsenal of sanctions, consisting of fines and, in specific cases, imprisonment penalties. Sanctions are primarily intended to penalise breaches of personal data confidentiality, preventing data subjects from exercising their rights, and any general violations of the obligations of the controller or processor as outlined by the PDPL.

Furthermore, the PDPL states that the individual in charge of managing a company that is in violation of the PDPL could face penalties if they knew about it and their negligence contributed to the crime. Additionally, the firm itself shall be jointly liable for paying any compensation if one of its employees committed the violation on its behalf and for its benefit.

These sanctions do not prevent the Center from applying administrative sanctions, such as cancelling or modifying the licence or permit, issuing warnings, making a public statement about the committed violations or subjecting the firm to its technical supervision.

4.4 Does your jurisdiction have cyber security laws or regulations that may apply to fintech businesses operating in your jurisdiction?

Egypt enforces stringent cybersecurity laws and regulations on fintech businesses through multiple frameworks, including the Cybercrime Law No. 175 of 2018. This law applies to service providers that provide users with IT services that aim to exchange electronic data, personal data and information. Given this broad scope of application, fintech firms operating in Egypt, whether headquartered in Egypt or abroad, are subject to its provisions.

Additionally, the FRA requires licensed non-banking financial institutions and designated entities to implement strong cybersecurity measures to protect systems and sensitive data. Institutions must maintain the required technological infrastructure and security measures under FRA Board Resolution No. 139 of 2023, prepare and submit an Information Security Policies and Procedures Manual, establish IT governance, IT risk management and cybersecurity frameworks, and obtain an annual cybersecurity insurance policy from a licensed insurer, particularly when operating via digital platforms or applications. They must also conduct annual penetration tests and information security reports, and provide the results to the FRA and ensure service providers report outcomes directly to the authority.

Moreover, the CBE has specific cybersecurity regulations applicable to fintech businesses, particularly for payment institutions operating as PSOs or PSPs. Under its licensing rules, applicants must demonstrate the availability of the necessary expertise and competencies to manage their institutions, as well as adequate infrastructure, including technology and cybersecurity systems. Licensing requires submission of plans addressing information security and cybersecurity risks, including employee and customer awareness programmes, policies for monitoring, detecting and reporting operational and cybersecurity incidents, and rapid response and recovery procedures. Institutions must also provide an Information Security and Cybersecurity Strategy and Plan, covering governance mechanisms, policies, procedures, control systems, risk management frameworks and technical controls to secure infrastructure, systems, applications and all data in transmission, processing, storage and backup, ensuring confidentiality, integrity and availability. Additionally, training programmes for all employees, including system administrators and cybersecurity officers, are required. Payment institutions must notify the CBE immediately and within six hours of any cybersecurity-related incident and provide a detailed report within

24 hours, making cybersecurity an integral part of licensing and operational compliance.[22]

4.5 Please describe any AML and other financial crime requirements that may apply to fintech businesses in your jurisdiction.

Fintech businesses are governed by general and sector-specific AML legislation. The cornerstone of this framework is Law No. 80 of 2002 and its executive regulations. Complementing this are tailored implementing instruments addressing different types of fintech operations within the banking and non-banking sectors, particularly the FRA's Decree No. 161 of 2024, which applies to all non-banking financial institutions falling under the FRA's oversight, whether operating in fintech or not.

AML legislation in Egypt, supervised by the Money Laundering Combatting Unit (MLCU) and key regulators such as the CBE and the FRA, integrates both international and national frameworks to combat financial crime. It aligns with global instruments, including UN Security Council resolutions and international treaties on counter-terrorism, ensuring adherence to international best practices.

In addition to adhering to sector-specific measures and the directives issued by the competent regulators as well as the MLCU's guidelines and negative lists, fintech firms in Egypt are required to meet several key AML obligations. They must maintain transaction records for a minimum of five years from the date of each transaction and promptly notify the competent authorities of any suspected money laundering activity, particularly when transactions align with indicators outlined by regulators. Firms are also obliged to ensure their information is accurate, up to date and comprehensive, while maintaining clear knowledge of their clients' activities and ownership structures. Additionally, fintech businesses must conduct Know-Your-Client procedures whenever applicable and adopt robust internal AML policies and procedures based on risk assessments. To ensure effective compliance, they are required to appoint a dedicated AML officer responsible for overseeing these measures.

4.6 Are there any other regulatory regimes that may apply to fintech businesses operating in your jurisdiction (for example, AI)?

Egypt's fintech businesses may fall under additional regulatory regimes (for example, mobile wallets and data centres) when they operate in Egypt, such as the National Telecom Regulatory Authority-specific regulations, pursuant to the Telecommunications Law No. 10 of 2003.

Regarding AI, there is currently no dedicated AI law in Egypt. However, the National Council for Artificial Intelligence's 2023 Egyptian Charter for Responsible AI provides guidance on AI use, emphasising transparency, ethical practices, non-discrimination and auditability. The Egyptian government is also currently preparing a draft law to regulate AI activities, which remains inaccessible at the moment.

Additionally, the FRA's Decree No. 57 of 2024 introduces specific rules for robo-advisors, requiring them to oversee algorithms, ensure transparent AI practices through proper disclosure and documentation, maintain robust data management, evaluate suitability, implement human oversight, and adopt board-approved policies for the design and testing of AI-based advisory systems.[23]

5 Technology

5.1 Please briefly describe how innovations and inventions are protected in your jurisdiction.

Innovations and inventions benefit from protection under the Intellectual Property Rights Law No. 82 of 2002 (IP Law). Infringing an IP right, whether through unauthorised use or distribution, or through substantial similarity, may result in civil compensation and could also lead to criminal charges. The protection granted by the IP Law extends to patents, copyright works, trademarks, industrial designs and trade secrets.

5.2 Please briefly describe how ownership of IP operates in your jurisdiction.

The IP Law stipulates the principles for determining ownership of different types of IP:

- **Copyright**: The creator of a work is the copyright owner. However, in cases of employment contracts, the employer may retain the right to exploit the copyright unless otherwise agreed in writing. While moral rights are eternal and unwaivable, the financial rights last for the lifetime of its creator, if an individual, and for 50 years after their death. In case of legal entities, the financial rights last for 50 years as from the date of publication of the concerned work.
  While the protection granted by the IP Law for copyright works is not conditional upon having them registered, it is highly encouraged to file them with the competent authorities, i.e., the Egyptian Authority for Intellectual Property (EIPA) for software and databases.
- **Patents**: Ownership of a patent is conditioned by having it registered at the EIPA. Registration grants the patent holder the exclusive legal right to prevent others from making, using, offering for sale or selling the patented invention for a period of 20 years. The patent is granted to the inventor or, in case the invention was created by an employee under the directions of their employer, it shall be granted for the latter. In all cases, the invention should always be attributed to its inventor.
  It is worth noting that Article 25 of the MSMEs Law exempts projects that make annual turnover of less than EGP 20 million from paying the registration fees for patents.
- **Trademarks**: Ownership of a trademark is subject to its registration at the EIPA. Trademark registration grants its holder the exclusive right to use the mark and to prevent others from using identical or confusingly similar marks. The protection is granted for a period of 10 years that is renewable for similar periods, provided its owner uses it during the five years following registration.
- **Industrial Designs**: Ownership of an industrial design is subject to its registration at the EIPA. The protection is granted for a period of 10 years that is renewable for five years.

5.3 In order to protect or enforce IP rights in your jurisdiction, do you need to own local/national rights or are you able to enforce other rights (for example, do any treaties or multi-jurisdictional rights apply)?

The answer depends on the nature of the concerned IP right and its country of origin. Owners of IP rights can benefit from the treaties entered into by Egypt, such as the Berne Convention, Paris Convention, Madrid Agreement and Protocol, Patent Cooperation Treaty and TRIPS Agreement, among others.

Nonetheless, IP rights registered abroad are not automatically protected under Egyptian law without local registration. This applies to patents, trademarks and industrial designs. However, copyright works, trade secrets and globally recognised trademarks benefit from automatic protection in Egypt, even without formal registration.

Also, citizens of World Trade Organization Member States are entitled to any advantage, privilege, immunity or preference granted by any of their respective national laws regarding patents, industrial designs, trademarks and copyright works. However, such benefits do not apply if they originate from judicial assistance treaties or general law enforcement treaties.

5.4 How do you exploit/monetise IP in your jurisdiction and are there any particular rules or restrictions regarding such exploitation/monetisation?

The IP law generally permits the exploitation and monetisation of IP rights. However, transactions involving patents, industrial designs and trademarks must be formally recorded in the relevant official registers to be legally effective and enforceable against third parties.

With respect to copyright, the transfer of financial rights must be made in writing and should clearly define the duration and territorial scope of the exploitation. Such agreements are limited to their defined subject matter. In addition, the terms of the agreement must be reasonable and fair; otherwise, the author may challenge it. Moral rights tied to copyright works are inalienable and cannot be transferred or waived, and any agreement attempting to do so is considered legally invalid. Furthermore, transactions covering all of an author's future works is also deemed null and void.

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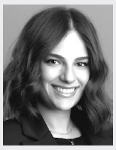

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