

New Regulations for Foreign Tourist Boats Passig Through the Suez Canal Without Port Entry

By: Moataz El Mahdy and Haythem Hamdy

Introduction

On the 25th of January 2024, the Egyptian Minister of Transportation issued Decree No. 69 of the year 2024 (the “**Decree**”) addressing regulations concerning foreign tourist boats passing through the Suez Canal without entering Egyptian Ports. It focuses on procedures, fees, and services related to these boats, and the criteria for boats eligible for this exemption.

In accordance with the Decree, foreign tourist boats passing through the Suez Canal, without entering Egyptian Ports, are exempt from paying any fees or charges as specified under previous government resolutions (2015 and 2016 resolutions).

If a foreign tourist boat, with a capacity of less than 300 tons, wishes to enter Egyptian ports like Suez or Ismailia or Port Said for fuel, water, or other emergency needs, staying for up to 24 hours. During this time, no fees or equivalent charges can be collected unless the boat has received actual services.

Key Provisions

On the 4th of October 2024, the Suez Canal Authority (“**SCA**”) issued [new guidelines](#), which will come into force starting from 01/11/2024, Circular No. (4 / 2024) Regarding Tourist Yachts Transiting the Suez Canal granting a 50% reduction in transit fees for all yachts under 300 tons. Multiple respected Journal issued articles regarding this topic highlighting the importance of this new incentive such as (the Maritime Executive, BOAT International, Super Yacht News, ...etc.).

Objective

The New Decree, alongside the Decision of the SCA, aims to streamline and encourage foreign tourism through the Suez Canal while preventing unnecessary fees for boats which are not making port stops. It promotes the canal as a passage for foreign tourists without imposing financial burdens unless specific services are utilized. This initiative is not only a boost for the yacht tourism sector but also reinforces the importance of the Suez Canal as a vital maritime route.

Further, these initiatives are designed to align with and support the upcoming Egypt International Yacht Exhibition, set to take place at Marsa El Alamein on the North Coast. It also comes within the frame of the approach of pursuing flexible marketing policies aimed at encouraging yacht tourism in the area aiming at incentivizing tourist yachts to transit the Suez Canal and attract them to boost tourism in the Red Sea.

SHALAKANY

— 1912 —



New Regulations on Granting Public Facility Concessions

By Omar Sherif, Passant Ashraf and Malak Sobhy

Introduction

On September 8th, 2024, the Prime Minister issued Decree No. 2856 of 2024, promulgating the Executive Regulations (“ER”) of the Law No. 87 for 2024 which regulates granting public facility concessions for the establishment, management, operation, and development of healthcare facilities (the “Decree”).

The Decree was published in the Official Gazette and came into effect the following day.

The ER emerges in response to a shift in the healthcare sector. By allowing Egyptian and foreign investors, whether natural or juristic persons, to establish, manage, operate, and develop public healthcare facilities, it engages the private sector in the improvement of healthcare delivery in Egypt.

We shall delve into the key highlights of the ER as follows:

Granting Public Facility Concessions

Without being bound by the provisions of Laws No. 61 of 1958 and 129 of 1947 regarding public utility concessions, public utility concessions may be granted to private entities, all while maintaining the public’s interest. The main goal of granting such concessions is to improve the efficiency of existing healthcare facilities and to establish new ones, with the aim of ensuring equitable geographical distribution.

The cabinet has the authority to make decisions relating to granting concessions, which include establishing conditions and provisions, determining the government’s share, and setting pricing principles for healthcare services.

Regulatory Compliance and Oversight Mechanisms

The ER outlines the details of the processes to ensure the effective operation of healthcare facilities, as well as methods for technical and financial supervision. The concessionaire is obliged during managing the healthcare facility to fulfill all obligations at their own expense. In addition, the Ministry of Health and Population shall conduct a study of targeted healthcare facilities for concessions, this study shall be updated periodically, with priority given to the establishment, management, and operation of new healthcare facilities or those whose development will contribute to achieving strategic objectives of Egypt.

Protection of Public Healthcare Services and Healthcare Professionals’ Rights

The ER emphasizes the significance of maintaining citizens’ access to public healthcare services when granting concessions. The ER states that any concession shall not impact the rights of beneficiaries under the comprehensive health insurance system. In addition, the ER stipulates that there shall be no decrease in the provision of preventive, emergency, and disaster-related healthcare services, which the country shall provide to citizens free of charge, even if the concessionaire can charge beneficiaries or their insurers for services provided.

Furthermore, the ER states that a concession must not affect the financial and employment rights of healthcare professionals/employees subject to the concessions. The ER also establishes conditions for licensing foreign healthcare professionals/employees. It ensures that licenses are granted only after verifying academic and professional qualifications, are temporary and limited to the facilities subject to the concessions, and shall be issued when there is a shortage of licensed Egyptian healthcare professionals/employees.



Market Reaction

The law No. 87 for 2024 relating to granting public facility concessions for the establishment, management, operation, and development of healthcare facilities has sparked diverse reactions.

The Egyptian Medical Syndicate and non-governmental organizations have expressed concerns about privatizing public healthcare facilities and their accessibility to low-income citizens who rely on their services. In response to that, the Minister of Health and Population has issued a statement ensuring that safeguards shall be implemented to guarantee that investors do not increase healthcare prices.

Moreover, in accordance with the terms of the concessions, the government can terminate agreements should there be low-quality services or excessive fees.



SHALAKANY

— 1912 —

Central Bank of Egypt Issues New Guidelines on the Appointment of Bank Officials

By Mostafa El Zeky and Zaina Morad

Introduction

The Central Bank of Egypt (the “CBE”) issued a circular, dated 19 September 2024, outlining updated requirements for the appointment of key officials in banks operating in Egypt (the “Circular”). The Circular introduces new conditions for assessing the suitability and competence of senior bank officials, including board members and executive management. The CBE’s move aims to enhance the overall performance and stability of the banking sector by ensuring that individuals in leadership positions are highly qualified and adhere to strict professional standards.

Key Highlights

1. **Selection of Key Officials:** Banks are required to select senior executives and board members based on strict criteria such as experience, competence, integrity, and good reputation in the industry.
2. **CBE Prior Approval:** All candidates for key positions must receive prior approval from the CBE before their appointment. The CBE will verify each candidate’s qualifications, competence, and financial soundness before allowing them to assume their roles.
3. **Avoidance of Conflicts of Interest:** Independence and transparency in decision-making are critical requirements set out by the Circular, as it emphasizes the importance of ensuring that no conflicts of interest exist when appointing key officials.
4. **Organizational Structure Review:** Banks must submit their organizational structures to the CBE for approval. This structure should detail the bank’s senior positions, the persons holding them, and any vacant roles. According to the Circular, this structure must be updated regularly, and the CBE must be notified of any changes thereto.
5. **Ongoing Assessment:** Banks are required to continuously assess the competence of their key officials. If an official is deemed unfit or incompetent, the CBE must be informed within three working days of discovery.
6. **Whistleblower Protection:** The Circular mandates that key officials must report any illegal activity or wrongdoing to the appropriate management level. Banks are responsible for protecting whistleblowers and ensuring confidentiality in line with their set internal policies.
7. **Recusal of Key Officials:** The CBE reserves the right to recuse any key official from their position if they no longer meet the required standards of competence or if any changes in their suitability arise.
8. **Scope of Application:** The requirements set out in the Circular apply to all banks registered with the CBE, including the representative offices of foreign banks in Egypt, as well as Egyptian bank branches and offices abroad. This ensures that consistent standards are maintained both domestically and internationally.



Market Reaction

The CBE's new guidelines demonstrate a proactive effort to strengthen leadership within Egypt's banking sector. By enforcing stricter standards for the appointment of key officials, the CBE aims to enhance governance and ensure transparency across financial institutions. This move is expected to lead to more diligent hiring processes, foster stronger leadership, and ultimately, boost overall stability within the sector.

