

New Law Regulating Private State Property Disposal

By Dr. Moataz El Mahdy and Malak Taie

Introduction

On the 13th of August 2025, the Egyptian Legislator issued law No. 168 of the year 2025 (the “**Law**”) regarding private state property (the “**Property**”) disposal by unlawful possessors (the “**Possessors**”). This Law replaces law No. 144 of the year 2017.

The Law was published in the official Gazette on the 13th of August 2025. It shall come into effect 30 days following its publication. This shall also apply to its executive regulations, provided that the Cabinet’s approval is obtained.

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

Scope of application

The Law applies to all requests for the legalization of possession and grievances that have not been decided upon as well as requests that were refused, submitted in accordance with the annulled law No.144 of the year 2017, if their examination period has not elapsed yet.

According to the Law, “disposal” refers to the sale, lease, lease to own, or usufruct license based on a request submitted by the Possessors to the competent administrative authority, within six months from the date the executive regulation comes into force. This period may be extended, by virtue of a presidential decree, to other similar periods not exceeding a total of three years.

Further, the Law provides in detail for the relevant financial obligations of applicants requesting legalization.

Violations and Sanctions

The Law also regulates in detail the Possessors’ violations and relevant sanctions (i.e. nullity of contracts and disposals, fines, etc.).

Market reaction

The Egyptian government dealt with the phenomenon of encroachment on Properties with several laws, such as law No. 144 of 2017, that aimed to regulate the state’s right to dispose of its private property. Nonetheless, the latter was replaced by the new Law No.168 of 2025 that aimed to grant better opportunity to Possessors to legalize their status, whenever the conditions are met, in a manner that preserves the state’s rights. This was shown in providing longer timelines, allocating bigger shares to various authorities and establishing new appeal measures for requests.