



New Water and Wastewater Utility Law

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Introduction

As part of the Government's strategy to develop and enhance the water and wastewater sector and in line with global trend toward implementing strict measures to address and mitigate water scarcity, the Water and Wastewater Utility Law No. 172 for the year 2025 (the "**Law**") establishing a regulatory framework for activities related to water supply and wastewater services has been finally issued. The Law repeals Decree No.136 for the year 2004.

The Law was published in the Official Gazette on September 1st, 2025, and shall come into effect 6 months following its publication. The executive regulations of the Law shall be issued within 6 months following the entry into force of the same.

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

Scope of Application

The Law applies to all activities and entities involved in water and wastewater activities, including the construction, operation, maintenance, distribution, treatment, and disposal of water and wastewater. The scope of the same extends to both public and private service operators or providers. It also expressly encourages private sector participation in financing, construction, and management of water and wastewater projects.

It should be noted that, without prejudice to granted licenses, authorities responsible for supervising industrial zones shall bear all costs of operation, maintenance, renewal, rehabilitation, and necessary expansions of water and wastewater infrastructure to ensure continuous service.

A New Regulatory Framework

The Law establishes the Water and Wastewater Utility and Consumer Protection Regulatory Authority (the "**Authority**") assuming the mandate of the former regulatory body regulated under Decree No. 136 for the year 2004. The Authority is vested with broad powers to regulate the water and wastewater sector, including, *inter alia*, licensing all water and wastewater projects and service providers, monitoring performance and service quality, protecting consumer rights and handling disputes between operators and consumers. Additionally, the Authority is responsible for proposing and regulating tariffs applicable to water and wastewater activities.

Licensing and Compliance

All services operators and providers must obtain a license from the Authority to engage in any water or wastewater activity. Licenses must outline certain data including, *inter alia*, the nature and geographic scope of the activity, the duration (up to 15 years), and the applicable fees as a percentage of the volume of the water produced or treated.



Existing service providers must regularize their status within five years from the issuance of the Law's executive regulations. In such case, where service providers do not meet the permanent license requirements, said providers are required to obtain temporary licenses within one year of the entry into force of the executive regulations.

Service Providers and Operators' Obligations

The Law mandates obligations on all licensed service providers and operators, including but not limited to, the non-discriminatory access to water and wastewater services, compliance with health and environmental standards in water treatment and disposal, installation and monitoring of devices to measure flows and discharges, provision of transparent customer complaint systems and the use of updated technologies for the treatment and recycling processes. Service providers are also required to prepare emergency plans, perform regular inspections, and maintain comprehensive records for each licensed activity.

Consumers' Rights and Obligations

In accordance with the Law, consumers are required to only use water for the purpose stated in the services agreement, install meters to measure consumption, and pay service charges promptly. Unauthorized connections or use without a valid agreement are strictly prohibited and are billed retroactively for the period of unlawful use.

Sanctions and Enforcement

The Law imposes fines of up to EGP 1 million for violations relating to water and wastewater services, including but not limited to, the misuse of water, unauthorized connections or discharges, and tariffs breaches. It also establishes imprisonment penalties for offences such as damaging public utilities, obstructing projects or service providers, and operating without a license. Further, all dues, penalties, and fees owed to the Authority are treated as recoverable public funds through administrative seizure procedures.

Market Reaction

The Law is expected to encourage private sector participation in the water and wastewater sector and provide further clarity on the said sector's regulatory framework. By enabling [private sector participation](#), the Law signals an investment-friendly environment in this very important sector. The executive regulations, which are yet to be issued, are anticipated to further set out details in relation to the implementation of the Law.