

Egypt

Citizenship by Investment

Program



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On 14 March 2020, the government of Egypt published Parliament Law No. 190, (established in the year 2019), regarding obtaining the Egyptian citizenship through investment. The Egyptian government has established a specialized unit within the office of the Prime Minister, to oversee the entire process of the citizenship through investment program (CIP).

This program is similar to other citizenship through investment programs across the globe. Such as, there is no residency requirement for this program. However, there are certain required documents and the payment of \$10,000 USD in government fees, to start the process.



The list of required documents needed to apply for the Egyptian citizenship includes but not limited to; the personal documents of the main applicant, spouse(s) and dependents. The main applicant is required to provide a clean criminal record and a comprehensive medical report. In addition to other documentation in relation to topics such as wealth and source of funds.

The new law states the five different program options and the associated investments required that the applicant could choose from, in order to be able to obtain the Egyptian citizenship. In accordance with the regulations established by the Central Bank of Egypt, all programs must be funded using investments transferred from abroad. The transfers should be made in US Dollars.



INVESTMENT PROGRAMS



A. Real Estate Investment Option: The investor can purchase one property or more, that must be from a government owned project, with a minimum investment of \$500,000 USD.

B. Company Establishment Option: An investor may choose to establish a new company in Egypt or invest in a previously established company in Egypt. This option requires a new minimum investment of \$400,000 USD and the investor must have at least a 40% stake in the company. This is in accordance with the rules and regulations stated in the Investment Law No. 72, established in 2017.

C. Donation Option: The investor is required to make a non-refundable contribution to the CIU account in the Central Bank of Egypt, with \$250,000 USD.



If the investor wishes, they may also apply using the Central Bank of Egypt deposit investment program. This program requires the applicant to make one of the following bank deposits:

D. Option One: Make a bank deposit of \$750,000 USD, refundable after 5 years, in the Egyptian local currency, without interest.

E. Option Two: Make a bank deposit of \$1,000,000 USD, refundable after 3 years, in the Egyptian local currency, without interest.

Overall, the purpose of this program is to allow a foreign investor to obtain the Egyptian nationality by investing in the economic growth of Egypt.



General FAQs



Is it possible to do the investment transfer from abroad? -

The transfer must be made from abroad. Funds transferred from within the country are not accepted.

Can the applicant's relatives or friends complete the payment on their behalf from abroad? - Yes.

Can the transfer be made from a business bank account abroad or must it be made from a personal bank account? - Both are accepted.

Is there a deadline for the program to close? - No.

What is the estimated processing time to get the certificates of citizenship and passports? -

On average, the whole process should take from 6 to 9 months.

What is the payment sequence for the application; does the investor pay the required amount first or finish the application and documents preparation first? -

At first, all required documents are submitted along with the receipt of payment of \$10,000 USD, nonrefundable, for governmental fees. Once the applicant has received the initial approval, only then are they required to pay the remainder of the required funds.

Does everyone in the family obtain the citizenship at the same time? - The main applicant and minor children below the age of 21 obtain the citizenship at the same time and the spouse after 2 years.

If the investor obtains the citizenship, will they have to denounce their nationality of origin? - No, Egypt recognizes having a dual nationality.



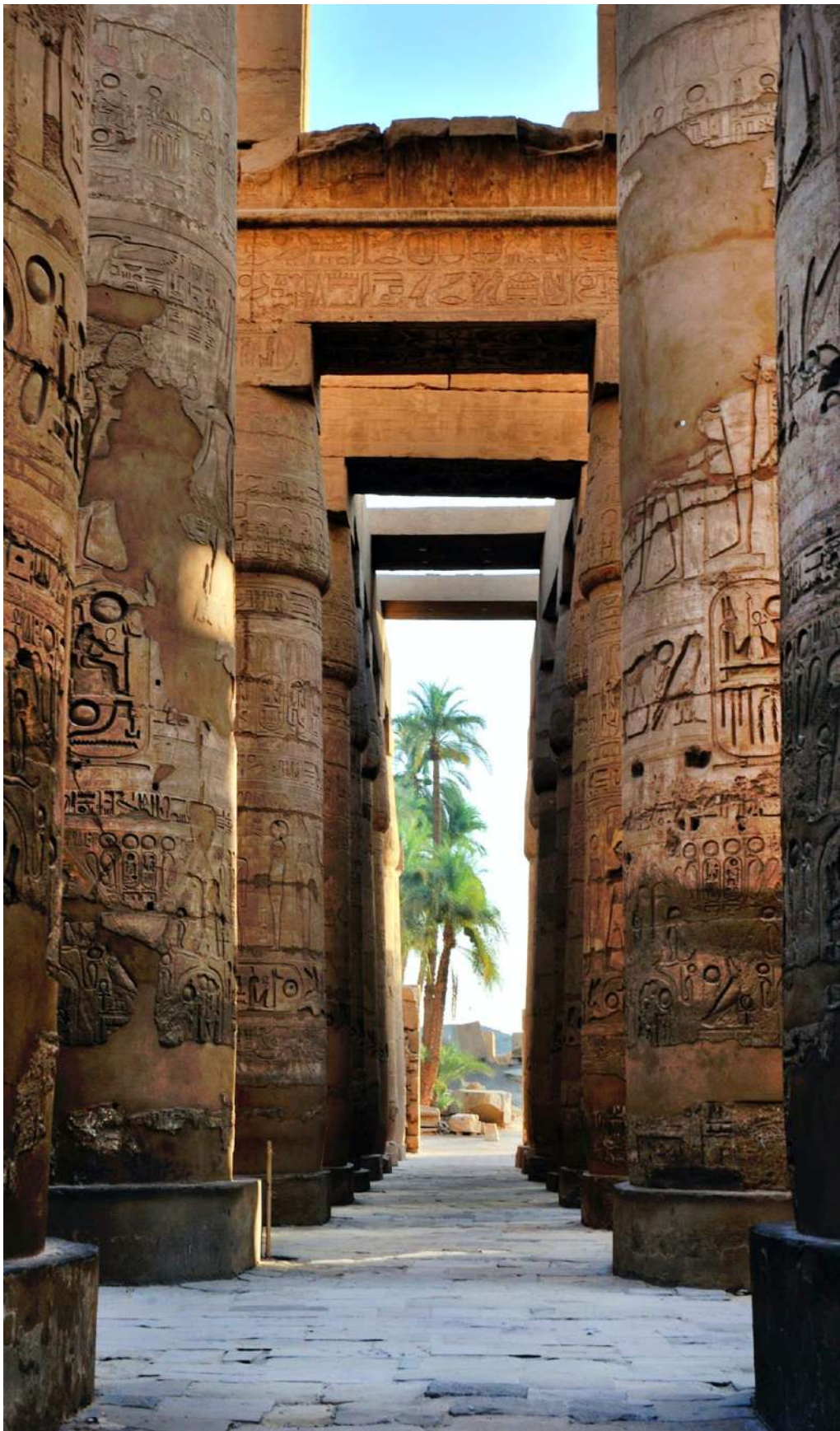
Bank Deposit Investment Option

Is it possible to take out a loan with the collateral being the bank deposit? - Yes, it is possible, but only through a special arrangement with commercial banks.

Once the bank deposit hold period is complete, is it possible to receive the return in USD or in a currency other than the local currency? - No, it will only be issued in the Egyptian local currency.

What about the currency exchange rate? - The prevailing exchange rate will either be the rate at the time of the initiation of the deposit - or - the exchange rate at the time of the holding period completion. Whichever rate is lowest at the time of the deposit withdrawal, will be the rate used in the transaction.

What if the investor does not wish to continue with their bank deposit investment? Is there any sort of penalty? - No, but if the investor has already obtained the Egyptian citizenship, they will be required to transition to the Donation Option, by making a non-refundable contribution of \$250,000 USD, in order to maintain their Egyptian citizenship.





Real Estate Investment Option

Is it possible to purchase a plot of land, or is it only property? -

Both are acceptable as long as its government owned.

Should the property be a completed project or is it acceptable to be under construction? -

Both options are acceptable, but it must be one of the government-owned projects. It can be a shop, factory, apartment, etc.

If the investor chooses to purchase a property, can it be paid in installments? -

In order to be eligible to apply, it is required that the minimum investment amount of \$500,000 USD be paid in full. If the property's price is over \$500,000 USD, the applicant can pay the extra amount in installments.

Is there any specific location that the property should be located in? -

No, but the property must be located in a government-owned real estate project.



Is the sales contract sufficient evidence to prove full payment of the fund required? -

No, there must be also proof of a bank transfer, made from abroad.

Does the applicant have the right to sell the property? -

In order to obtain the citizenship, the property must be held for a period of 5 years. After the 5 years, the investor has the right to sell the property.

What if the investor wishes to sell their property/land before the 5 years are complete? -

If the investor has already obtained the Egyptian citizenship, they will be required to transition to the Donation Option, by making a non-refundable contribution of \$250,000 USD, in order to maintain their Egyptian citizenship.





COMPANY INVESTMENT OPTION

Is it a must to establish a new company or it is possible to apply by funding an already established company with \$400,000 USD? -

Both. The applicant has the choice to invest in a previously established company or to establish a new company. The one requirement in both cases is that the applicant must make a minimum investment of \$400,000 USD and to own at least 40% of the shares in the company.

Is it required to have an Egyptian partner in the company? - No.

Can the funds be used in establishing the company or should it be deposited in the company's bank account as disposable cash for 5 years? -

It should be deposited in the company's bank account and can be used as funds for the company for a minimum of 5 years. - If the company declares bankruptcy within those 5 years, the investor will be required to transition to the Donation Option, by making a non-refundable contribution of \$250,000 USD, in order to maintain their Egyptian citizenship.

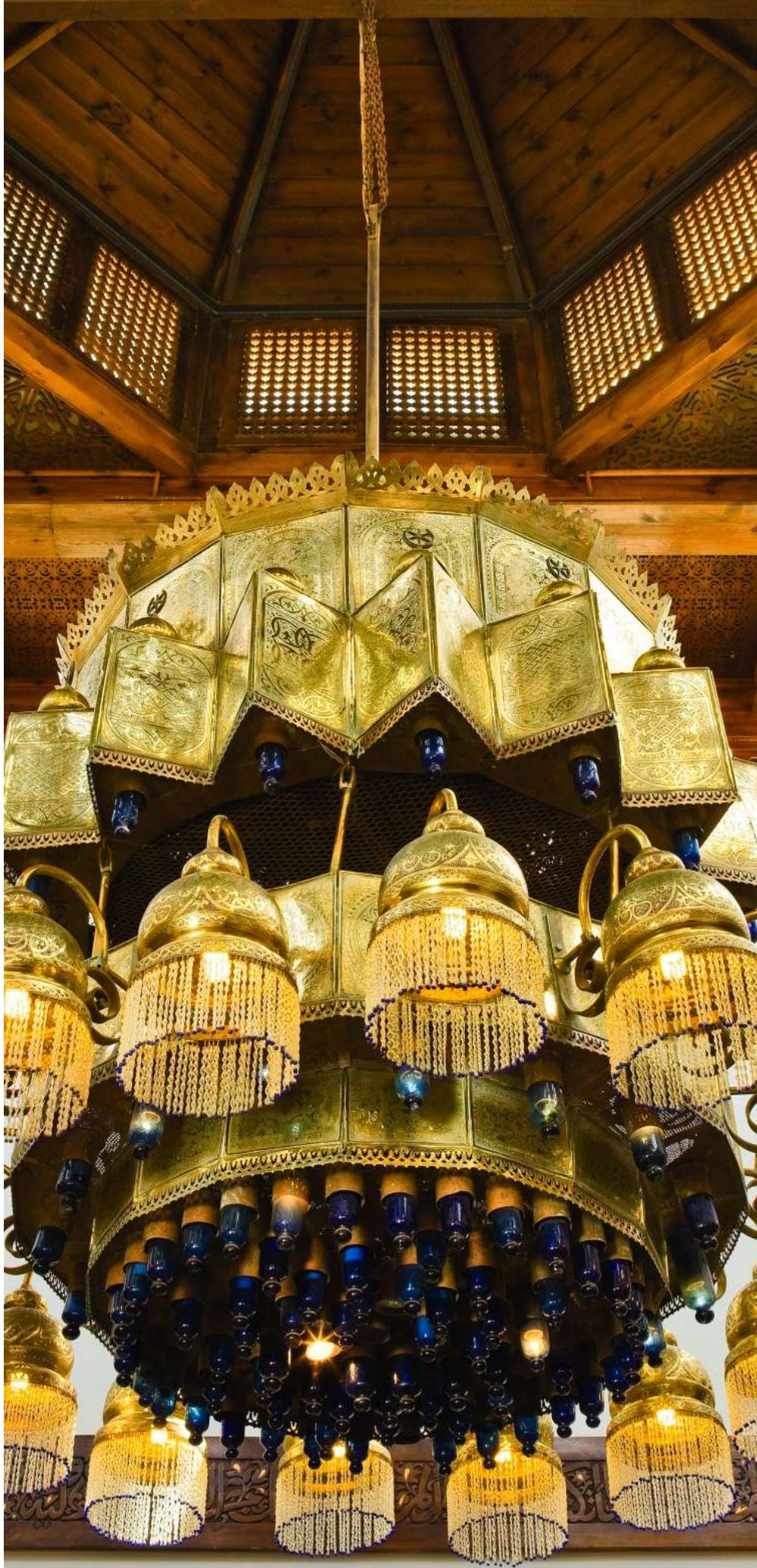


APPLICANTS WITH AN ACTIVE EGYPTIAN RESIDENCY

What is the processing time of the application for an investor who already has residency in Egypt for more than 3 years or 5 years? -

Applicants who have residency in Egypt will get a faster reply than the average waiting time for an applicant from abroad.

Does the previously established residency of the investor have an impact on the processing time of their application? - It should be noted that the timely manner in which the applicant collects their documentation, will in turn, impact the speed of the processing period.





FAQS RELATED TO THE MAIN APPLICANT AND HIS FAMILY

Can the Egyptian nationality obtained through investment be inherited? -

Yes, it can.

What if the main applicant has more than one spouse? -

Any official spouse of the main applicant can be included in the application, and they will obtain the Egyptian citizenship 2 years after the main applicant.

Are there any restricted countries, in which their citizens cannot apply for the Egyptian citizenship? -

Citizens from all countries can apply for the Egyptian CIP, however the government has the right to deny or reject any application at its sole discretion without disclosing the reasoning behind the rejection





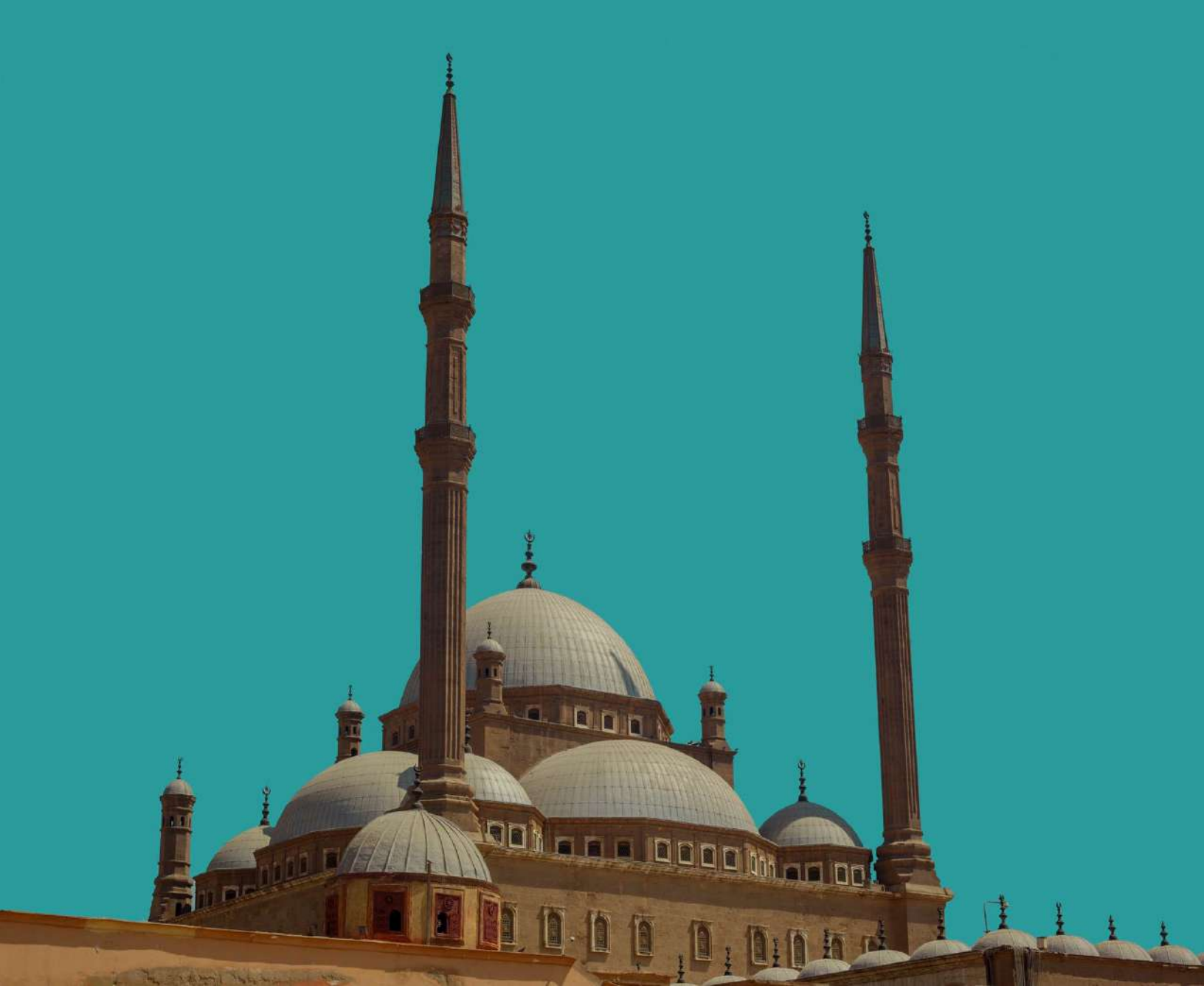
Can parents and/or siblings be included in the application? -

No to both.

If the son(s) of the main applicant obtain the citizenship, will they have to enlist in the Egyptian military? - No.

Is there a maximum age for dependent children, to be included in the application? - Yes, 21 years old and not married.





Find out more about **VARDIKOS & VARDIKOS** legal practices by visiting our site at **www.vardikos.com** in order to be informed about your appropriate investment scheme. For any further clarifications or to arrange a private consultation please do not hesitate to contact us at: **info@vardikos.com**.





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