

Law No. 17/1999
to Promulgate Commercial Code

In the Name of the People;

The President of the Republic;

The People's Assembly passed the following bill, and we promulgated it into law:

Article: 1- The trade law as promulgated by royal edict dated 13 November 1883, with the exception of chapter-I of part-2 thereof concerning partnerships the remaining parts shall be superseded and substituted by the attached law;

The text of article 337 of the Penal code shall be superseded effective October 1, 2000;

Each provision contradicting the provisions of the attached law shall also be superseded(2.

Article: 2- Ministerial decrees which are necessary for the implementation of this law are issued by the competent ministers each in so far as he is concerned.

Article: 3- The present law is published in the official journal and shall come into force effective on the 1st of October 1999, with the exception of the provisions concerning checks that shall come into force effective the 1st of October, 2000.

A check issued before that date shall be subject to the legal provisions applicable to the date of issuance it, if the check bears an attested date, or if the date thereof is attested before the 1st of October, year 2001.

Certifying the date of the aforementioned check shall be attested duty-free at one of the Notary public Registration administration. It may also be attested by recording it in special registers with one of the banks, or by any of the other methods prescribed in article 15 of the evidence law that is applicable to civil and commercial matters

The present code shall be stamped with the seal of the state and shall be enforced as one of its laws³. Issued at the Presidency of the Republic on the V of Safar, 1-lejira Year 1420, corresponding to 17 may, 1999.

Commercial Code

Part-I

Trade in general

General provisions

Article I: The provisions of the present law shall apply to trading activities and to all natural or juridical person for whom the quality of trader is established.

Article 2: 1- the provisions of the accord between the contracting parties shall apply to commercial matters. In case no such accord exists, the provisions of the present law, or other *laws* related to commercial matters, then the rules of trading practices and customs shall apply. If no trading practices or customs exist, the provisions of the civil code' shall apply.

2- The agreements between the contracting parties, or the rules of trading practices or customs shall not be applicable where they contradict with the public order in Egypt.

Article 3: If the contract is commercial with regard to one of its parties, the provisions of the commercial law shall not be applicable except to the obligations of that party, exclusively; the provisions of the civil code shall apply to the obligations of the other party, unless otherwise prescribed in the law.

Chapter 1

Commercial activities

Article4: The following works shall be considered commercial activities:

A. Purchase of movables whatever their kind with the aim of selling or leasing them as they are, or after shaping them in another form, and also selling or leasing these movables.

B. Renting movables with the aim of leasing them, and also leasing these movables.

C. Founding trading firms.

Article5: The following activities shall be considered trading works in case they are exercised by way of profession:

A. Supply of goods and services;

B. Industry;

C. Land and inland water transport;

D. Trade agencies and brokerage whatever the nature of the operations exercised by the broker;

E. All kinds of insurance;

F. Bank and money exchange transactions;

G. Warehousing the goods, the means of transport, the crops, etc.

- H. Publishers houses and offices operating in the fields of publication, printing, photocopying, typewriting, etc, translation, broadcasting, televising, the Journalism, news transmission, postal activities, and communications, as well as publicity and advertisement
- I. Commercial exploitation of computer software, and space transmission via satellites.,
- J. Prospecting operations of natural resources, such as mines, quarries, oil and gas explorations, etc.
- K. Poultry industry and livestock breeding and others, with the aim of setting them.
- L. Building construction, restoration, modification, demolition, or painting contracts and public works contracts.
- M. Construction, purchase or rental of realties with the aim of selling or leasing them complete or divided into apartments, rooms, or administrative or commercial units, whether furnished or unfurnished.
- N. *Tour* and travel offices export and import offices, customs release offices, employment offices, and halls for public auction sales.
- O. Hotels, restaurants, coffee shops and Coffee, acting and cinema works, circus works, and other public entertainment and amusement Sites.
- P. Distribution of water, gas, electricity and other energy sources.

Article 6: All works connected with maritime or air commercial navigation shall be considered a commercial activity, Particularly the following:

- A. Building, repair, and maintenance of Ship or aircraft.
- B. Buying, selling, leasing, or renting ships or aircraft.
- C. Purchase of supplies, provisions, or equipment for ships or aircraft.
- D. sea or Air transport.
- E. Stevedoring, loading or unloading operations.
- F. employing navigators, pilots, or other workers on ships or aircraft.

Article7: All works can be compared analogously to the works in the foregoing articles due to likeness in qualities and purposes shall be considered a commercial works.

Article 8: 1. Works that are carried out by the trader for business affairs connected with his trade shall be considered commercial works.
2- All work carried out by the trader shall be considered related to his trade, unless otherwise established.

Article9: The farmer's sale of the products of the land cultivated by him whether in his quality as its owner or just using it, shall not be considered a commercial work.

Chapter— 2

The trader

Article10: The following shall be a trader:

- 1- Whoever exercises by way of profession, in his name or for his own account, a commercial activity.
- 2- Each firm assuming one of the forms prescribed in the laws concerning the companies, whatever the purpose for which the firm is established.

Article 11: 1- The following, whether Egyptian or alien, shall be qualified and eligible for the exercise of trade:

- A.* Once he completes twenty one years of age, even though the law of the state, to which he belongs by his nationality, considers him as minor at that age.
 - B.* Whoever completes eighteen years of age under the conditions prescribed in the law of the state to which he belongs by his nationality, after obtaining the permission of the competent Egyptian Court.
2. A Person who is less than eighteen years of age shall not exercise the profession of trade in Egypt even though the law of the state to which he belongs, by his nationality considers him of full age on completing eighteen years, or allows him to exercise trade.

3. A minor who is authorized to exercise trade shall have complete legal to fulfil all legal dispositions as required for his trade.

Article: 12-1- If the child or the person placed under an interdict has a fund in some trade, the court issue an order to extract his money from it, or continue placing the funds there according to the best interest of such person.

2. if the court orders continuing the exercise of trade, the proxy deputizing for the minor or the interdicted individual may be granted an absolute or restricted permission to effect such dispositions as necessitated by the trade.

3. if serious reasons should arise to cause fear of mismanagement by the deputizing proxy who is authorized to continue exercising the minor's trade or that of the interdicted person, the court may withdraw or restrict the permission without prejudice to the rights acquired by the bona fide third party.

4. Each court-writ that is pronounced concerning the continuation of the minor's trade or that of the interdicted person, or withdrawing, restricting or liquidating the trade, shall be recorded in the Register of Commerce and published in the register's journal.

Article: 13- If the court should order continuing the trade of the minor or the interdicted person, no commitments shall be made except within the limits of his funds which are invested in that trade. The trader's bankruptcy may be declared, providing the bankruptcy shall not compromise the funds and property uninvested in the trade.

In this case, the declaration of bankruptcy shall not have any effect with regard to the minor of the interdicted person.

Article 14-1- The law of the State to which a married woman belongs by her nationality shall regulate her eligibility to exercise trade.

2. An alien wife exercising trade as a profession shall be supposed to be exercising it with her husband's permission. If the law applicable allows the husband to object to her exercise of trade as a pm Cession, or to withdraw his previous permission the objection or withdrawal of the permission shall be recorded in the Register of Commerce and shall be published in the Register's journal. The objection or withdrawal of the permission shall have no effect except from the date of completing such publication.

3. The objection or withdrawal of the permission shall not affect the rights acquired by the bona third party.

Article 15-1: An alien wife exercising trade shall be supposed to have goi married according to the system of separation of (lands and property, unless otherwise provided by the terms of the financial agreement between the two spouses.

2. The terms of financial agreement between the two spouses shall not be invoked vis-a-vis third parties except after its notarization by Publishing its summary in the register's journal.

3. In case of neglecting the publication of the financial terms of agreement between the two spouses, the third party may prove that the marriage had

taken place according to a financial system more suited to his interests than the system of separation of funds.

4. A court ruling pronounced abroad concerning the separation of finds and property between the two spouses shall not be invoked except from the date of recording it in the register of Commerce and publishing its summary in the register's journal.

Article 16:1- The provisions of the Commercial Law shall not apply to small craftsman.

2. A craftsman exercising a trade of insignificant costs to obtain an amount of income securing his daily sustenance shall be considered the owner of a small craft.

Article: 17- If a person prohibited to exercise trade by virtue of special laws, *regulations* or systems, embarks on exercising trade activities, he shall be considered a trader and shall be subject to the provisions of the Trade Law,
Article: 18- Whoever chooses trade for a profession under a false or hidden name behind another person shall be regarded as an established trader, in addition to establishing this quality in the visible person.

Article: 9- The quality of trader shall be presumable in the person impersonating it by announcing it in the papers, leaflets, on Radio or Television, or by any other method. This presumption may be denied by establishing that the person assuming the said quality did not exercise trade actually.

Article: 20- The quality of trader shall not be established to the State and other public law persons However, the provisions of this law shall apply to

the trading activities exercised by the State, excluding those excepted by special text.

Chapter— 3

Commercial Books

Article 21: Any trader whose capital, invested in trade, exceeds twenty thousand Egyptian pounds shall keep books as necessitated by the nature and importances of his trade, particularly the journal and inventory books. Such books shall be held in a way ensuring the demonstration of his financial standing, and his rights and debts as connected with his trade.

Article 22: I- In the journal shall be entered all trade transactions carried out by the trade, as well as his personal drawings, day by day and in detail, with the exception of the personal drawings which may be recorded in the total, month by month.

2- The trader may use an auxiliary journal in which to record details of the different types of the trade transactions. In this case, he will only record the total of these transactions in the journal, at regular intervals. If he does not follow this procedure, each auxiliary journal shall be considered an original book.

Article 23: 1- Details of the goods available with the trader at the end of the financial year are recorded in the inventory book, or a total statement of the goods, if their details are mentioned in separated books or statements. In this case, these books or statements shall be considered a supplementary part of the original inventory book.

3- A copy of the annual balance sheet and of the profit and loss account shall be recorded in the inventory book.

Article 24: The trader shall keep a copy of the correspondence, cables and other documents as dispatched or received by him in respect of matters connected with his trade. Keeping such copies shall be done in a regular method facilitating the verification process.

Article 25:1- The commercial books shall be free of any empty spaces, deletion, erasure, writing in margins, or between the lines.
2.. Before using the journal and inventory books, their pages shall be numbered, and the Commercial Register Office shall sign each page thereof and stamp each page with the seal of the office, along with indicating the number of the book pages.

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3. The journal and inventory books shall be submitted at the end of the trader's financial year to the Commercial Register Office to ratify the number of pages that were used during the year. On using the whole pages of the book, the trader shall submit the book to the Commercial Register Office to mark its annotation thereon that the pages of the books have all been used
4. In case of discounting the activity of the store, the trader or his successors shall submit the journal and inventory books to the Commercial Register office to mark its annotation thereon that the books have been closed.

5. A decree of the competent minister may be issued setting provisions concerning the reorganization of the commercial books used by the banks or the companies defined by the decree.

Article 26:1- The trader or his successors shall maintain the commercial books and the documents supporting the entries recorded therein for a period

of five years starting from the date the books are marked with an annotation thereon concerning the closure or termination of the book.

2. They shall also keep copies of the correspondence, cables and others for a period of five years from the date of their dispatch or receipt. They may as well keep, for the said period, microfilm copies instead of the originals. These copies shall have the determinative effect of the originals in the matters of evidence, if in preparing; maintaining and retrieving them are observed the rules and controls prescribed in a decree of the Minister of Justice.

Article: 27- The entries to be recorded in the commercial books by the employers who are authorized to do that shall be considered as good as the entries recorded by the trader himself, and shall be assumed to have been recorded with his knowledge unless he provides evidence to the contrary.

Article 2S:1- The court, upon the request of the litigant, or ex officio, may order the trader to submit his books to it to derive therefrom whatever is relevant to the dispute brought before it. The court may review the books itself or via an expert to be appointed by it .

2. The court may not order the trader to let his opponent have access to his books except in litigation connected with successions, and in matters of common property, funds, or the companies.

3. In the case of bankruptcy or a composition to avoid the bankruptcy, the books shall be delivered to the court, the bankruptcy assignee, or the composition supervisor.

4. If the trader refrains, without acceptable reasons, from submitting his books to review, the court may consider that, as presumption of the Validity of the facts required to be derived from the books.

Article: 29- Whoever contravenes the provisions prescribed in this chapter or in the decrees to be issued for its implementation shall be liable to a fine penalty of not less than one hundred Egyptian pounds and not more than one thousand pounds

recording them in the Register unless otherwise prescribed in the law.

2. No datum to be recorded mandatory in the Commercial Register shall be considered as argument vis-à-vis third parties, in case they were not virtually recorded therein, unless it is established that the third party was aware of the contents of that datum.

3. A trader shall not stick his non-registration in the Commercial Register to break up from his obligation as imposed by the law, or those arising from his dealings with third parties, in his quality as a trader.

CHAPTER -5

TRADING SHOP

Article 34: 1- A trading shop is a group of movable property appropriated for the exercise of a specific trade. They shall comprise the element of liaison with the customers and the business reputation.

2. The trading shop may comprise other incorporeal elements like the trade name, the trading feature, the trade marks, the letters patent, the industrial drawings and designs, the right of rental, the intellectual and technical property rights, the know-how right, and the franchise or concession and manufacturing license.

3. The trading store may comprise the goods, furniture, machines, equipment, apparatuses, and other materials that are necessary for the exploitation of the trading store.

Article 35: If the contracting parties fail to indicate the elements of which the trading store subject of the contract is made up, the store shall — in addition to the contacts with the clients and the trading reputation — comprise every incorporeal or physical element that is necessary for exploiting the trading store as intended by the two contracting parties.

Article 36: If the trader is the owner of the realty where he exercises the trade, this realty shall not be an element in his trading store.

Article 37: 1- All disposal the subject of which constitutes alienating the ownership of the trading store, instituting a real right on it, or leasing its

exploitation, shall be effected in writing, otherwise it shall be considered null and void.

2. Disposing of trading store and its lease contract shall be recorded in a special register to be re-organized by a decree of the competent Minister, and shall be kept in the Commercial Register Office.

3. Disposing of the trading store and leasing its exploitation shall be recorded in the Commercial Register for its publication. This registration shall comprise the following data.

A. Names, addresses, and nationalities of *the* contracting Parties.

B. Date and Type of the contract.

C. The activity and address of the trading store and the elements agreed to be included in the contract.

D. The price and the amount paid of a on selling the place, Or the rental amount agreed upon, and the method of settling the rest of the price or exploitation rental amount.

E. The agreements concerning the contract and undertakings related to the trading store.

F. The agreements related to reserving the seller's right to rescind the contract or his franchise/lien right.

Article38: 1- The ownership of the trading store shall not be alienated between the parties to the contract or in relation w third parties except from

the date the disposition is recorded in the register provided for the purpose and its summary is published in the journal of the Commercial Register.

2. if the trading store comprises elements subject to a special system of registration or notarization, publishing the disposal of the store in the journal of the Commercial Register shall not stand for the special publication or registration unless otherwise prescribed in the law”.

Article39: The alienee to whom reverts the ownership of the store subject of the disposal shall not replace the alienator in the rights and undertakings resulting from the contracts connected with the trading shop unless otherwise agreed upon.

Article 40: Tire alienator shall remain liable for the debts connected with the trading store and which took place before the month during which the store was disposed o1 unless the creditors clear him of his debts.

Article 41: By exception from the provisions prescribed in the trade law (Part: On Bankruptcy) the seller of the trading store who has not received fall settlement of the price, may raise against the group of creditors in the buyer’s bankruptcy, an argument concerning his right to rescind the compact and recover the store, or his franchise/lien right in respect thereof, if he had reserved this or that right in the sale contract, and he mentioned it explicitly in the slimily which was registered and published. The rescission or franchise/lien shall only cover the elements comprised in the sale contract.

Article42: 1- Whoever disposes of a trading store, by the alienating its ownership to a third party or by leasing its exploitation, shall not exercise an

activity similar to that of the trading store, in a way causing harm to the alienee or the person to whom the exploitation reverts, unless otherwise agreed upon.

2. This ban shall be valid for a period of ten years from the date of publishing /registering the disposal of the store, unless a shorter period is agreed upon.

Article 43:1- Subject to the provisions prescribed in this Chapter, the laws and decrees on the sale, mortgage and leasing the exploitation of the stores, shall apply in respect of the foregoing trading store.

2. The laws and decrees on the trade names, commercial privileges, trademarks, and industrial drawings and designs, as well as the letters patent and other elements of industrial and literary ownership, shall apply.

CHAPTER -6

STOCK EXCHANGE

Article44:1- The Stock Exchange shall be considered a juridical person.

2. Subject to the provision of this chapter, the establishment of the Stock Exchange and its statutes shall be subject to the provisions of the laws and decrees regulating them.

Article45:1 Dealings in the Stock Exchange with regard to debentures listed in its schedules of prices shall not be allowed except through an exchange broker authorized to work in it, otherwise all transactions shall be null and invalid.

2. An exchange broker shall not carry out operations in the stock exchange for the account of his clients unless he is authorized by the client to fulfil them by virtue of a special delegation in writing. If the broker performs without the virtue of a special delegation, the client may accept or refuse it.

Article46: Time added-transactions shall be valid even if the contracting parties intended thereby to render such transactions a mere obligation to pay the price differences providing the transaction shall be carried out in the stock exchange, and shall be connected with debentures listed in the price schedules of that Exchange. A decree of the competent minister shall be issued reorganizing these operations.

PART II
COMMERCIAL OBLIGATIONS
AND CONTRACTS
GENERAL PROVISIONS

Article 47: Those who are bound together for a commercial debt shall be jointly responsible for that debt, unless otherwise prescribed by the law or the agreement.

2. This provision shall also apply in case of multiple warrantor⁵ for the commercial debt.

Article 48: Guaranteeing the commercial debt shall not be considered a commercial transaction unless it is so prescribed in the law, or the warrantor is a bank or a trader that has an interest in the guaranteed debt.

2. In the commercial warranty, the warrantor — even if he is not a joint guarantor — may not request despoiling the debtor unless otherwise agreed upon.

Article 49: If the trader performs for the account of a third party works or services falling within his commercial activity, he shall be assumed as having performed them in exchange for compensation unless he proves otherwise. The compensation shall be according to the practice and usage. In case no practice or usage exists in respect thereof, the judge shall assess such compensation.

Article 50: 1- The loans concluded by the trader for affairs connected with his trading works shall be considered commercial loans.

2. if the trader's profession necessitates paying some amount or expenses for the account of his client, he may claim from them an interest thereon from the date of paying these amounts, unless otherwise agreed upon.

3. The interest shall be calculated according to the rate with which the Central Bank deals, unless otherwise agreed upon.

4. The interest shall be paid at the end of each year, if the debt is deferred for more than one year, and on the maturity date if the debt is deferred for one or less than one year, unless otherwise agreed upon, or the practice runs differently.

Article 51: The orders and delegations issued by the trader in matters connected with his trading activity shall not expire with his decease. However, his successors may cancel them if they decide to discontinue the trade, and in this case no compensation shall be due or payable by them if they notify the party contracting with the predecessor of their desire to rescind the deals in an appropriate time.

Article 52: The trader may not, due to exploitation or injustice, request

nullifying the contracts he concludes for matters connected with his commercial works, or reducing the resultant obligation ensuing therefrom on him.

Article 53: If the subject of the commercial obligation constitutes the delivery of something within a specific occasion or one of the seasons of the year, the prevailing customs at the place of delivery shall be referred to, for determination of the time at which the delivery shall take place. If no customs exists, the delivery shall take place at the suitable time before the end of the term or season.

2. The prevailing customs at the place of delivery, concerning the method of measuring, weighing, counting, or scaling the goods shall be considered complementary to the contract unless otherwise agreed upon.

Article 54: If the subject of the commercial obligation constitutes the performance of a certain work, the debtor shall exert in it the care and attention of the ordinary trader.

Article 55: If a certain period is determined for starting the implementation and this period lapses without the debtor beginning the execution of his obligation, he shall not thereafter oblige the creditor to accept it.

Article 56: If either party reserves the right to rescind the contract within a

certain period, his execution, during that time, of his obligations as imposed on him by the contract, or his acceptance of the other party's execution of his obligations deprives him of the right to rescind

Article 57. The fulfillment of commercial obligations shall not be claimed except during the working hours as determined by the law or statutes, or as applicable by the prevailing customs.

Article 58: Demanding or notifying the debtor, in commercial matters, shall be done by virtue of an official warning, or by registered letter with acknowledgement of the receipt. In case of urgency, the demand or notification may be effected by virtue of a cable, telex, fax, or other quick communication methods.

Article 59: The court may not grant the commercial obligation debtor a time during which he shall fulfil or divide his debt, except in necessary cases, *and* no gross damage shall attain the creditor.

Article 60: A creditor shall not be forced to accept the compensation amount agreed upon instead of prosecution, unless otherwise agreed upon.

Article 61: Settling a commercial debt to the holder of a debt document duly marked with an annotation ofittance from the creditor or his deputy shall clear the debtor of his debt, unless the creditor establishes that the debtor has not made adequate investigation to ensure the valid settlement of the debt.

2- The existence of the debt instrument in the hands of the debtor shall be considered a presumption of clearing his financial Position and conscience from his debt, unless otherwise established.

Article 62: in commercial matters, the creditor may ask to pay the debt by check, if the debt amount exceeds one hundred thousand Egyptian pounds.

Article 63: If the debt is a time debt and the debtor is authorized to settle it before the maturity date, he shall not — when using this right — deduct part of the debt except with the approval of the creditor, unless otherwise prescribed by a text in the law or in trade practices.

2. If the debtor is unauthorized to settle the debt before its maturity date, he may oblige the creditor to accept that settlement if he pays him the interest due on the debt until expiry of the date, or clear him of the obligation to refund the amount if it had been paid in advance, unless there is an agreement, a trade usage and practice, or a text of the law providing otherwise.

Article 64: The interest on delaying the settlement of commercial debts shall become due upon their maturity unless otherwise provided by the law or in the agreement. In any case, the total interest received by the creditor shall not exceed the debt amount on which the interest is calculated unless otherwise provided by the law or applied in practice.

Article 65: All the debenture of which the subject is to pay an amount of money or delivery of goods may be circulated by endorsement if it is to the order of the creditor, or by handing over if it is to bearer.

2. The endorsement alienating the ownership or the handing over process shall result in transferring all the rights resulting from the debenture to its new bearer.

3. In case of the endorsement alienating the ownership, the endorser shall guarantee settling the right affirmed in the debenture on its maturity date unless agreement is reached on restricting the guarantee to the virtual existence of the right at the time of endorsement.

4. If the debenture is instituted on the occasion of a Commercial transaction, the co-signatories of the debenture shall be jointly bound by it unless otherwise prescribed by the law or in the agreement.

5. The debtor, vis-à-vis the bearer of the debenture, shall not invoke the defense based on personal relationships concerning the creator of the debenture, or its previous holder, unless the intention of its bearer — at the time he obtains the debenture — is to cause harm to the debtor or the defense is connected with the debtor's Lack of legal capacity

6. The debtor may refrain from paying the debenture if it is not delivered to him marked with the annotation of quittance.

7. The Loss of the debentures referred to in this article shall be subject to the provision concerning the loss of securities unless otherwise prescribed by the law.

Article 66: All act contravening the customs and norms observed in commercial dealing, shall be considered an illegal competition. In that shall be included in particular, the encroachment on a third party's trademarks, his commercial name, the letters patent, or his industrial secrets which he possesses the right to invest, and instigating the workers in his trading store to divulge his secrets, or quit working for him, and also all act or claim that results in causing confusion to the trading store or his products, or in

weakening the confidence in its - owner or those in charge of its management, or in his products.

2. All illegal competition shall force its perpetrator to compensate the harm ensuing therefrom. The court shall, in addition to the compensation, have the power to pronounce a ruling ordering the removal of the harm and the publication of a summary of the sentence at the expense of the judgment debtor in a daily newspaper.

Article 67: The producer and distributor of the commodity shall be accountable, vis-à-vis whoever sustain a bodily or physical harm caused by the product, if that person establishes that the harm was caused by a flaw in the product.

2. The product shall be defective, and in particular if no adequate care and precaution is observed in its design, manufacture, composition, preparation for consumption, preservation, packing, or the method of displaying or using it, to prevent the occurrence of harm or to caution against the possibility of its occurrence.

3. In the provision of this article:

A. The term “producer” shall mean the manufacture of the commodity who prepares it in its final shape in which it is displayed for circulation, whether all the parts of which the commodity is composed are of his make, or he uses parts of a third party’s make. The term “producer” shall not apply to the subordinates of the producer.

B. The term “distributor” shall mean the importer of the commodity for trading, and wholesale merchant who assumes its distribution in the local

market to the retailers, even if — at the same time — he distributes them by himself at retail price. The term shall also comprise the retailer if he is aware, or if it is his duty to be aware, at the time of selling the commodity, of the flaw found in it. The criterion in that is in what an ordinary trader who exercises the sale of a commodity of the same kind shall do if he finds himself in the same conditions.

4- The claimant may bring a liability action against the producer or the distributor or both of them together without being jointly liable. If the business center of the producer or distributor is seated abroad, he may be sued before the Egyptian court within the jurisdiction and circuit of which lies a branch, factory, agency, or office thereof.

5. The liability action shall prescribe with the lapse of three years from the date the person harmed thereby learns of the occurrence of the harm and of the person accountable for it This action shall lapse with the passage of fifteen years from the day the illegal act takes place.

6. All condition or statement that is liable to relieve the producer or distributor from the responsibility, or limit or reduce the period of prescription shall be null and void.

Article 68: The action resulting from the obligations of the traders towards one another, and which are connected with their commercial transactions shall prescribe with the lapse of seven years from the date on which the fulfillment of the obligation falls due, unless otherwise provided by the law. Similarly, the final rulings as pronounced in these actions shall lapse with the expiry often years.

Article 69: Evidence of the commercial obligations, whatever their amount, may be established by all methods of evidence unless otherwise prescribed by the law.

2. In other than the cases for which the law necessitates establish the evidence in writing) in commercial matters, evidence of opposite of written evidence content or of exceeding such write evidence may be established by all methods.

3. Papers in private form in commercial matters shall be regarded as a proof in their date, vis-à-vis a third party, even though such date might not be affirmed or established, unless the law provides for the affirmation of the date. The date shall be considered valid until the opposite is established. Article70; Commercial books may be accepted in establishing an evidence in court actions brought by or against the traders, Once these books are connected with their commercial works, in accordance with the following rules.

A. The data mentioned in the books shall be regarded as a proof vis..à.. vis their owners. However, a person who wishes to deduce from these books what conforms to the provisions of the law, as an evidence for himself, may not divide the data contained therein.

8. The data contained in books conforming to the provision of the law shall be regarded as a proof for the owner of these books against his adversary merchant, unless the adversary reverses and annuls them by data indicated in his books that conform to the provisions of the law, or provides evidence of their invalidity by any other way.

C. If the books of each of the two adversary parties conform to the provisions of the law and the comparison between them results in conflicting data, the Court shall demand providing another evidence.

D). lithe data in discrepancy in the books of the both adversaries are found different, and the books of either party conform to the provisions of the law while the other party's books are nonconforming, the criterion shall then be in the contents of the conforming books, unless the adversary establishes an evidence to the contrary of their contents. This provision shall apply if one of the two adversary parties submits conforming books while the other does not submit any books.

Artide71: In Commercial matter, agreement on arbitration may be reached before or after the litigation erupts, subject to the provisions prescribed in the special laws.

Chapter--1

Transfer of Technology

Article 72:1- The provisions of this Chapter shall apply to each contract for transfer of technology to be used in the Arab Republic of Egypt, whether such transfer is international, lying across the regional borders of Egypt, or inland. No criterion in both cases shall be observed as regards the nationality of the parties to the agreement or their places of residence.

2.The provisions of this chapter shall apply to each agreement on transfer of technology to be concluded by virtue of a separate contract or within another contract.

Article73: The transfer of technology contract is an agreement in which the (supplier of technology) undertakes to transfer, against payment, technical know — how to the (importer of technology) to use it in a special technical way, for the production or development of a specific commodity, the installation or operation of machines or equipment, or for the provision of services. The mere sale, purchase, lease, or rental of commodities or trademarks shall not be considered a transfer of technology, unless this is set forth as part of, or is connected with the transfer- of - technology contract.

Article74-1: The Technology Transfer Contract shall be concluded in writing, otherwise it shall be null and invalid.

2. The Contract shall comprise a statement of knowledge elements and ancillaries to be transferred to the importer of the technology. Mentioning this statement may be accompanied with the feasibility studies, instructions, designs, engineering drawings, charts, pictures, computer software and other

know — how defining documents, in appendices to be attached to and to be an inseparable part of the contract.

Article 75: Any condition prescribed in the Technology Transfer Contract, which is liable to restrict the freedom of the importer in using, developing, acquainting with or announcing about the production, may be invalidated. This shall in particular apply to the conditions binding the importer with one of the following requirements:

A. Accepting the improvements introduced by the importer to the technology, and paying their value.

B. Prohibiting the introduction of improvements or modifications to the technology to suit the local conditions or the conditions of the importer's establishment. Also, prohibiting the acquisition of another technology similar to or competing with the technology subject of the contract.

C. Using specific trademarks to distinguish the commodities for which the technology was used in their production.

D. Limiting the volume of production, its price, the method of its distribution or its export.

E. Participation of the supplier in running the establishment of the importer, or his interference in choosing the permanent workers in it.

F. Purchase of the raw materials, equipment, machines, apparatuses, or spare parts for operating the technology, from the supplier alone, or from the establishments exclusively specified by the supplier.

G. Restricting the sale of the production, or the delegation for its sale, exclusively to the supplier or the persons defined thereby.

The forgoing shall apply unless any of these conditions is prescribed in the technology transfer contract, with aim of protecting the consumer of the product, or safeguarding a serious and legal interest of the technology supplier.

Article 76: The supplier of technology shall disclose the following to the importer, in the contract, or during the negotiations preceding its conclusion:

A. The risks that might occur from using the technology and in particular those connected with the environment, public health, or the safety of lives or property and funds. He shall demonstrate to him the methods he knows to avoid these risks.

B. Judiciary actions and other obstruction that might impede the use of technology-related rights, particularly those connected with letters patent.

C. Provisions of the local law concerning the authorization for the export of technology.

Article 77-1: The supplier shall submit to the importer the information, data, and other technical documents as required for assimilation of technology, and also the necessary technical services to be requested by the importer for the operation of the technology, particularly expertise and training.

2. The supplier shall inform the importer of the improvements he might introduce to the technology during the validity period of the contract, and shall transfer these improvements to the importer if the latter requests him to do so.

Article 78: The supplier, during the validity of the contract, shall provide the importer, upon the latter's request, the spare parts he produces which are required for the machines or equipment used in operating his establishment.

If the supplier does not produce these parts in his own factory, he shall advise the importer of the sources where they are available.

Article 79: The importer, in operating the technology, shall employ workers with a measure of technical skill, and have recourse to technical experts whenever necessary, providing the selection of these workers or experts shall be among Egyptians residing in Egypt or living abroad, whenever this is possible.

Article 80: The importer shall inform the supplier of the provisions of national legislations connected with the import of technology.

Article 81: The importer shall not assign the technology he has obtained to a third party, except with the approval of the supplier.

Article 82: The importer shall pay the charges for the technology and the improvements introduced to it, at all the times and places as agreed.

2. The charges may be a total amount payable altogether or in several installments. They may also be a share in the capital invested in operating the technology or a portion of the yield of this operation. The charges may as well be in the form of a certain quantity of the commodity in which the technology is used for its production, or a primary material the importer produces and undertakes to export to the supplier.

Article 83: The importer shall maintain the confidentiality and secrecy of the technology he obtains and of the improvements introduced to it. He shall be accountable for the damage occurring from divulging this secrecy whether it takes place in the stage of negotiating contract negotiations or later after.

2. The supplier shall maintain the secrecy of the improvements introduced by the importer and transferred *thereby* to the supplier by virtue of a condition prescribed in the contract. The supplier shall be liable for compensating the harm caused from divulging this secrecy.

Article 84: Agreement may be reached that the importer of technology shall alone have the right of using it and trading in the production providing this right shall be limited to a specified geographical area, and to determined period of time to be agreed upon by *the* two parties.

Article 85: The supplier shall guarantee the conformity of the technology and the documents attached to it, to the Conditions prescribed in the contract, he shall *also* guarantee the production of the commodity, or the performance of the services agreed upon according to the specifications prescribed in the contract, unless otherwise agreed upon in writing

2- Each of the supplier and the importer shall separately and not jointly be liable for the harm caused to the persons, funds, and property from using the technology or the *commodity* produced by applying *that* technology.

Article 86: Either party to the technology transfer contract may, after the lapse of five years from the date of its conclusion, request its termination or the reconsideration of its terms by amending them to suit the general

existing economic conditions. Submitting this request may be repeated whenever five years have elapsed unless another period is agreed upon.

Article 87: The Egyptian courts shall have the jurisdiction of deciding disputes arising from the technology transfer contract referred to in article 72 of this law. Agreement may be reached on settling the dispute amicably or via arbitration to be held in Egypt according to the provisions of the Egyptian law.

2. In all cases, deciding the subject of dispute shall be according to the provisions of the Egyptian law, and all agreement to the contract otherwise shall be null and invalid.

Chapter —2
Commercial Sale
Division —1
General Provisions

Article 88-1: The provisions prescribed in this division shall apply to the goods sale contract, which are concluded between traders for trade-related matters unless otherwise prescribed by the law. These provisions shall not apply except when the charge in exchange for the sale is in cash, or both in cash and in kind, and the portion in kind is less than the portion in cash.

2. The international commercial sales shall be subject to the provisions of international conventions concerning these sales, as are enforced in Egypt. They shall also be subject to the prevalent practices in international trade and the explanations prepared by the international organizations for the terms of this trade if the contract refers to them.

Article 89-I: If the contracting parties do not determine the price, the sale shall be concluded at the price on the basis of which dealings between them are concluded. If no previous dealings exist between them, the sale shall be concluded at the ruling price in the market.

2. If the agreement is reached on concluding the sale at the market price, or if the market price should be applied, according to the provision of the previous clause, the criterion shall be on the average market price at the time

and place the contract is concluded. However, the *foregoing* shall only apply where nothing is otherwise agreed upon or the practice in trade provides differently, or if it transpires from the ruling conditions that another price must be applied. In case of multiple market prices, the criterion shall be on the medium price.

Article 90: A third party may be mandated for determining the selling price. If that party does not determine the price at the time defined for it, or at the proper time in case of non-determination of the price, the ruling market price at the time and place the contract was concluded shall be approved. However, this shall only apply unless it transpires from the prevalent conditions or trade practices that another price should be approved.

Article: 91: If the price is estimated on the basis of weight, the criterion shall be on the net weight, unless otherwise agreed upon or trade practices differently provide.

Article:92-I: If agreement is reached that the buyer shall determine the shape, size, or other characterizing specifications of the sold item, he shall do that at the time agreed upon, or at a suitable time where no specified time is set therefore, otherwise the seller may ask for rescission and compensation.

2. The seller, after the lapse of the time referred to in the previous clause, shall have the right to determine die specifications of the sold item,

according to the buyer's needs as can be known to the seller. Such determination of specifications shall be final if the buyer does not object there to within fifteen days from the date he is notified thereof.

Article 93-1: If no time for delivery is determined, the delivery of the item shall take place upon concluding the contract, unless the nature of the item, or the trade practice provides for determining another time

2. If agreement is reached that the buyer shall determine the time of delivery, the seller shall comply therewith for delivery at time determined by the buyer, subject to the period the nature of the sold item requires for its preparation for delivery.

Article 94-1: If, at the request of the buyer, the seller dispatches the sold item to other than the location determined for its delivery the consequences of deterioration shall be on the buyer, from the time 'of its delivery to the party assuming its transport, unless otherwise provided by the law or differently agreed upon.

2. The expenses involved in delivery of the sold item to other than the place specified for implementing the sale, shall be at the expense of the buyer unless otherwise provided by the law or differently agreed upon.

3. If the seller contravenes, without pressing necessity, the buyer's transport

instructions, he shall be liable for all harm and damage occurring to the sold item due to such contravention.

Article 95: In delivering the sold item all shortage or damage occurring to it within the limits tolerated in trading practices shall not be reckoned with.

Article 96: If the seller fails to deliver the sold item at the time determined in the contract, the buyer may notify him to implement the contract, within a suitable period to be determined thereby. If, within that period, the seller failed to deliver the sold item, the buyer may obtain a similar item at the cost of the seller, and claim from him the difference between the price agreed upon and that which he paid in good faith in order to obtain that object. If the sold object has a known price in the market, the buyer-even if he does not actually buy a similar item may claim from the seller the difference between the price agreed upon and the market price on the day determined for delivery. The buyer may, instead, notify the seller that the failure to deliver within the period determined in the notification shall result in considering the contract as rescinded, and in this case the buyer shall have the right to claim compensation if so necessary.

Article 97: In case of agreement on delivering the sold item in batches, the buyer may ask for rescinding the contract if the seller fails to deliver one of the batches at the time agreed upon. The rescission of the contract shall not apply to the batches already delivered unless a gross damage occurs to the

buyer as a result of delivering the sold item in divided batches.

Article 98: if the price is not paid at the time agreed upon, the Seller after demanding the buyer to pay, may resell the goods to third parties goods are thus sold, in good faith, at less than the price agreed upon the seller shall have the right to claim the difference from the buyer. If the good have a known price in the market, the seller, even if he has not actually resold the goods, shall have the claim from the buyer the difference between the price as agreed upon and the price in the market on the day defined for paying.

Article 99-1: The buyer who has paid the price in full may ask the seller to give him a list of the goods in which to mention that the price has been duly settled.

2. If the buyer accepts, explicitly or implicitly, the list of the goods he has received from the buyer, he shall not have the right, thereafter, to object to the data and information provided therein. The buyer's non—objection to the list, within ten days from its delivery date, shall be considered as implicit acceptance.

Article 100-1: if the buyer refuses to receive the sold item, the seller may: after recording the condition of the sold goods, request a warrant on a petition from the judge concerned to permit the sale of the goods after the lapse of a period he determines and notifies to the buyer. The judge shall

also determine the method of carrying out the sale. He may also order selling the perishable objects without determining a period or notification.

2. *The* seller shall deposit the sale proceeds in the court treasury pending settlement of the dispute between him and the buyer, if the latter had already paid the price in full.

Article 101-1: If, after receiving the sold item, it transpires that its quality and quantity less and lower than what was agreed upon, or a defect is detected in it, or that it does not conform to the conditions or the specimen on the basis of which the contract was signed, no court ruling shall grant the buyer the ability to rescind the contract unless the shortage, defect or nonconformity of the sold item results in its exceptualy for the purpose the buyer prepared it for, or in difficult disposal thereof, unless an agreement or the trade practice provides for imperative rescission of the contract in refusing the request for the rescission, reducing the price shall be sufficient without derogation to the buyer's right to compensation.

2. The buyer shall notify the seller of the discovered shortage, defect, or non-conformity, within fifteen days from the date of the actual receiving of the sold item. He shall bring an action for rescission or an action for reducing the price, within sixty days from the date of receiving the sold item.

I if the notification does not take place, or the action is not filed within the date prescribed in the previous clause, the right of the buyer to bring the case shall lapse, unless he establishes the fraud on the part of the seller.

4. In all cases, the action shall lapse with the expiry of six months from the actual delivery date.

5. Agreement may be reached on modifying the dates agreed upon in this article. The buyer may also be exempted from observing them.

Article102-1: If after delivering the sold item to the buyer it is found that it exceeds the quantity agreed upon, no court ruling shall be issued authorizing the seller to recover the increase unless the buyer refuses to complete the price within fifteen days from the date he is notified of the existing increase.

2. The seller's action for recovery of the increase shall not be accepted after the lapse of sixty days from the date of actual delivery of the sold item to the buyer.

3. Agreement may be reached on modifying the dates prescribed in this article. The buyer may also be exempted from observing such dates.

Article103-1: Agreement may be reached on forcing the buyer not to reduce the price below a specified limit in the resale process, if the sold item is a commodity protected by a registered trademark distinguishing it. The court may issue a ruling invalidating this condition if the sold item is a commodity necessary for popular consumption.

2. The successors of the buyer shall not be committed to observe the condition referred to in the previous clause unless they were aware of it or were able to learn of it.

Division—2
Provisions Governing Certain
Types Of Commercial Sales

Article 104: The provisions of this chapter shall apply if the sale deed is a commercial contract for both of its parties or for just one of them.

I— Sale By Installments

Article 105-1: if the buyer fails to settle one of the price installments as agreed upon, no court ruling shall be issued to rescind the sale deed, if it transpires that the buyer has settled 75% of his obligations.

2-In case a court ruling is pronounced rescinding the sale, the seller shall refund the installments he has received after deducting the equivalent of the charges payable against benefiting by the sold item, plus a compensation for the harm attaining him on account of the Unusual Use of *the* item. All agreement on loading the buyer with stricter obligations shall be null and invalid.

3. The agreement on maturity of the whole price in case one of the installments is not paid at its maturity date, shall not be enforced, unless the buyer fails to pay at least two consecutive installments.

Article106-I: If the seller retains possession of the sold item until total settlement of the price installments, the buyer shall acquire this ownership on paying the last installment. The buyer shall bear the consequences of the deterioration of the sold item from the time it is delivered to him.

2. without prejudice to the provisions prescribed in Bankruptcy, the provision on retaining possession of the item shall not be enforced vis-à-vis third parties unless the said condition is written on a paper having a registered date preceding the third party's right, or prior to the implementation procedures adopted by the creditors on the sold item.

Article107-1: The buyer shall not dispose of the sold item before settling all installments of its price except with a written permission from the seller. All disposal performed by the buyer contrary to this provision shall not be enforced Vis—à-vis the seller if the latter proves that the alienee was, at the time of disposal, aware that the price of the item had not been settled in full.

2. In case the buyer disposes of the sold item without the seller's permission before settling all the price installments, the seller may ask the buyer to pay him the remaining installments forthwith.

3. The buyer, on contravening the provisions of the first clause, shall be liable to jail punishment for a period not exceeding six months, and a fine of not more than 500 Egyptian pounds, or either penalty. The provision of

article 18-bis (A) of the Criminal Procedure Law shall apply to this crime. The Public Prosecution shall order the stay of execution of this penalty if An agreement / composition is reached during its execution, even after the judgment becomes peremptory.

2 —Sale by Liquidation or By Public Auction

Article 108-I: The trader shall announce the price of the commodity offered for sale, in the liquidation sale process, accompanied by a statement of the actual price at which this commodity was being sold during the month preceding the liquidation.

2. All procedures likely to announce about the sale of commodities at reduced prices shall be considered as good as a seasonal liquidation

Article 109: The trader shall not sell by public auction the Unused commodities he deals in except for one of the following reasons providing he shall announce the reason for so doing, before the public auction sale session:

Liquidating the trading store finally;

B. Liquidating a branch of the store;

C. Liquidating trade in one of the items in which the store is dealing;

D. Liquidating the commodities defected as a result of fire, leakage of water, or such other reasons

E- Status of seasonal liquidation, providing it shall be completed within at most two weeks.

Article 101-1: Used commodities shall not be sold by public auction except through registered appraiser in the relevant special register;

2. Sale by public auction shall mean all optional sales at which everyone can attend, even if it is stipulated to pay charges for attending the auction, or that attendance shall be restricted to a specified category of persons.

Article III-1: The buyer in whose favor the auction is adjudicated shall pay half the price in the auction session and the rest at the time of delivery of the sold item to him. Delivering the item shall take place within three days from the date of closing the auction, unless otherwise stipulated in the conditions of the patty applying for the sale session.

2. If the buyer does not pay the rest of the price, or does not come to receive the sold item, at the time referred to in the previous clause, a resale of the item by public auction shall as well be held on the buyer's responsibility, and he shall not be accepted for participation in the auction.

3. If the second auction is adjudicated with less than the price of the first auction, the defaulter buyer shall bear the difference, and if the auction is adjudicated with a larger price, the increase shall go to the party applying for the sale.

Article 112: The valuator shall not refrain from adjudicating the auction except in the following two cases:

A. lithe auction for a commodity is restricted to one person.

B. If the auction result fails to reach the basic price.

Article 113: Neither the sale demanding party nor the valuator shall participate personally, or represented, in the auction held for the commodities displayed for sale.

Article 114: The valuator shall have a lien right on account of the remuneration or commission payable to him on the price of the commodity he is assigned to sell by public auction.

3-Supply Contract

Article 115: If agreement is reached on minimum and maximum limits for the quantities to be delivered by the supplier, the supply demanding party shall design the quantity necessary for him, providing it shall fall between the two limits, and he shall notify the supplier of a suitable date therefore. If the agreement is only on the minimum limit, the supply demanding party shall design the quantity necessary for him, providing it shall not be less than the minimum limit agreed upon and he shall notify the supplier of a suitable date therefore.

Article 116-1: If the agreement is reached on a term for supply, this term is supposed to be stipulated in the interest of the two parties. Hence, it shall not be amended except with their approval.

2. If agreement is reached that the supply demanding party shall determine a term for supply, he shall notify the supplier of a suitable date for the term he determines.

3. If no term for supply is agreed upon, either party may terminate the contract at any time providing he shall notify the other party of a suitable date therefore.

Article 117: If one of the two parties defaults in implementing his obligations concerning one of the periodical supplies, the other party may not rescind the contract, unless the default in prosecution is likely to cause him a gross

damage, or weaken the trust in the ability of the defaulting party to implement the subsequent supplies regularly.

Article 118: No agreement shall be made on preventing the supply demanding party from contracting with other than the supplier on the purchase of goods or services subject of the contract, except for a period not exceeding five years from the date of the contract, whatever the privileges the supplier shall determine for the demanding party. All agreement on a longer period shall not be renewed except after its expiry, and it shall only be for once, and with express agreement.

Chapter-3

Commercial Pawn

Article 119: Subject to the provisions concerning the reorganization of special types of commercial pawn, the provisions of this chapter shall apply to each pawn to be determined on a movable property to guarantee a debt considered as commercial in relation to the debtor.

Article 120-1: For the pawn to be enforced toward third parties the seizure of the pawned object shall pass to the Pawnee or to a peer to be appointed by the contracting parties, and the pawned object shall remain in the Possession of the party who received it until the pawn is terminated.

2. The pawnee or the peer shall be the possessor of the pawned object in the following cases:

a. If it is placed at his disposal in a way making the third party believe that the object has become in his custody.

b. If he receives a debenture representing the pawned object and giving its holder the exclusive right of receiving it.

3. The possession of rights shall be transferred by delivery of the debentures recorded in them. If the debenture is deposited with a third party, delivering the deposit receipt shall be considered as delivering the debenture itself providing the debenture shall be defined in the receipt in a way negating all ignorance thereof, and that the depositary shall agree to holding for the account of the pawnee. In this case, the depositary shall be considered as

having waived all right he has in withholding the debenture for himself for a reason preceding the pawn, unless he has reserved that right when he accepted to hold the debenture for account of the pawnee.

Article 121-1: The rights established in nominal debentures shall be pawned with a draft in which it shall be mentioned that it is for pawning and it shall be recorded in the register of the quarter issuing the debenture.

2. The rights established in a debenture to order shall be pawned by endorsement in which to mention that they are for pawning, or another statement shall be added in the same sense.

3. The pawn referred to in the two previous clauses shall be enforced vis-à-vis the debtor without need for announcing the pawn to him, or for his acceptance thereof.

Article 122-1: Subject to the provisions prescribed in the previous article, enforcing the commercial pawn vis-à-vis third parties shall not require it to be in writing, nor the paper in which a pawn is recorded to bear a fixed date.

2. The commercial pawn between the contracting parties and in relation to third parties shall be established by all methods of evidence whatever the amount of the debt that is guaranteed with the pawn.

Article 123: The pawnee shall deliver to the debtor—upon request a receipt in which to indicate the substance and nature of the pawned object, and its kind and amount, as well as the other qualities characterizing it.

Article 124-1: if the pawn is imposed on a fungible item, the pawn shall remain standing even if the pawned object is replaced by another object of the same kind.

2. If the pawned object is part of non- replaceable property, the debtor may replace it by another object, providing it was agreed upon in the pawn contract, and the pawnee shall accept a substitute.

Article 125: *The* pawnee shall effect all arrangements and procedures which are necessary for reserving and ensuring the maintenance of the pawned object. he shall fulfill, for the account of the debtor, the rights connected with that object, such as receiving its value, and be an ancillary thereto, providing he shall deduct the amounts he received from the amount guaranteed by the pawn, even though its maturity is not due yet. Deduction shall first be from the value of expenses spent in maintaining and preserving the object, then the expenses, thereafter from the yield, and last from the original debt, unless otherwise agreed upon.

Article I26-1: If the debtor fails to pay the debt guaranteed by the pawn, at its maturity date, the pawnee, after the lapse of five days from the date of requesting the debtor to pay his debt, shall have the right to submit a petition to the competent judge at the court within the circuit of which lies his domicile, to issue a court writ ordering the sale of whole or of the pawned object.

2. The court writ issued by the judge for selling the pawned object may not be executed except after the lapse of five days from the date of notifying the order to the debtor and the guarantor, if any, along with indication of the location, date and hour of the sale session.

3. The sale shall take place at the time and place defined by the judge, and by public auction, unless the judge orders following another method. If the pawned object is circulated in the stock exchange, the judge shall order selling it in that stock exchange by means of one of the brokers approved for working in it.

4. The Pawnee shall receive, through priority, settlement of his original debt, its yield and expenses, from the price accruing from the sale.

Article 127: If the pawn is imposed on various properties the pawnee shall have *the* right to define the property to be Sold unless otherwise agreed upon, or imposing the pawn is likely to harm the debtor. in all cases, the sale may not cover other than the portion adequate to settle the right of the pawnee.

Article 128-1: if the price of the pawned object decreases in the market so that it becomes inadequate to guarantee the debt, the pawnee may appoint a suitable date for the debtor to complete the guarantee. If the debtor refuses that, or the defined date lapses without the guarantee being completed

thereby, the pawnee may levy execution on the pawned object by following the procedures prescribed in article 126 of this law, and the pawn shall involve the price resulting from the sale.

2. if the pawned object is exposed to destruction or, or its maintenance requires exorbitant expenses, while the debtor does not wish to offer another object in replacement, each of the pawnee and the debtor may request the competent judge to issue a court writ authorizing him to sell the object forthwith in any way to be defined by the judge, and the pawn then shall move to involve the price resulting from the sale.

Article 129: All agreement to be concluded at the time of or after imposing the pawn, giving the pawnee, in case of the failure to settle the debt at its maturity date, the right to possess the pawned object or sell it without observing the procedures prescribed in article 126 of this law, shall be null or invalid.

Chapter— 4

Depositing in General Warehouses

Article 130-1: Depositing in general warehouses is a deed by virtue of which the warehouse investor undertakes to receive the goods to preserve them for the account of the depositor or the person to whom devolves the ownership or possession of the goods by virtue of the debentures representing them.

2. No a general warehouse shall have the right to issue debentures which represent the deposited goods are liable to circulation may not be established or invested except by license from the competent administrative Authority according to the conditions and situations to be issued by a decree therefrom.

3. In applying the provisions of this ‘chapter to warehousing goods o which no taxes or customs duties were paid, shall he observed as prescribed in the laws related thereto and the decrees issued for their implementation.

4. A warehousing establishment having no right to issue debentures representing the goods and which are liable to circulation shall not be considered a general warehouse subject to the provisions prescribed in this chapter.

Article 131-1: Whoever invests a general warehouse shall cover it with fire

insurance at one of the insurance companies. This insurance shall comprise insurance on the goods deposited in the warehouse for account of third parties.

2. However, the insurance shall not cover the goods deposited with one of the general warehouses existing in a sea port or an airport, if the goods are also covered by sea or air fire insurance. If the incident occurs during the validity of the sea or air insurance, this insurance shall alone be applicable for settlement of the compensation. The goods shall not be - covered by the insurance on the warehouse except after the lapse of the sea or air insurance validity period, or in case of the inadequacy of this sea or air insurance to cover the damage.

Article 132-1: The depositor shall submit to the general warehouse true and valid data on the nature, the type, the amount and the value of the goods deposited therein.

2. The depositor shall have at all times the right to examine the goods that were delivered to the warehouse for his account, take samples thereof, and enable third parties to do that.

Article 133-1: The warehouse investor shall be responsible for preserving and maintaining the deposited goods up to and not exceeding their value as estimated by the depositor.

2- the warehouse investor shall not be accountable for the damage, deterioration or shortage occurring to the goods, if this is caused by a force

majeure. the nature of the goods, an innate *flaw* in them, or the method of packaging or packing them.

Article 134: The warehouse investor may submit to the concerned judge, at the court within the circuit of which lies the warehouse, a request on a petition to issue a court writ to sell the deposited goods if they are exposed to fast deterioration. The judge shall determine the method of carrying out the sale and disposing of the price.

Article 135-I: The depositor may deal in the deposited goods by sale pawning, and other dispositions by virtue of the debentures, which are issued by the general warehouse.

2. The warehouse investor may extend loans to the depositor, Pawning the goods deposited therewith, he may also deal by the pawn debenture representing the goods

3. The goods deposited in the general warehouses may not be Pawned nor an execution be levied thereon in settlement of the pawned debt except by following the provisions prescribed concerning commercial pawn.

Article 136-1; The depositor shall receive a warehousing receipt showing his name, occupation, domicile, the type, nature and quantity of goods, and

other necessary data to define their identity and value as well as the name of the warehouse in which they are deposited and the name of the company insuring the warehouse, and whether or not the duties and taxes due thereon have been paid.

2. To the warehousing receipt shall be attached a pawn debenture comprising all the data mentioned in the warehousing receipt.

3. The depositor may divide the goods into several sets and obtain a deposit receipt and a pawn debenture for each set thereof.

4. The warehouse shall keep duplicates of the deposit receipt and the pawn debenture.

Article 137-1; If the deposited goods for which a deposit receipt and pawn debenture are delivered, are of fungible objects, the depositor may replace them by other goods of the same type and quality, if so prescribed in the deposit receipt and pawn debenture. In this case, all rights of the bearer of the receipt, or debenture and its privileges shall be transferred to the new goods.

2. The receipt of the deposit and the pawn debenture may be issued for a quantity of fungible goods in bulk in a larger quantity.

Article 138-I: The receipt for the deposit goods or the pawn debenture may be issued in the name of or to order of the depositor.

2. If the receipt for the deposit or the pawn debenture is to order of the depositor, he may assign them together or separated, by endorsing them.

3. The person to whom a receipt for deposit or a pawn debenture is endorsed may request recording the endorsement made for him together with a statement of his domicile in the warehouse book.

Article 139-I: The endorsement of the deposit receipt or pawn debenture shall be dated and comprising the signature of the endorser.

2. If the pawn debenture is endorsed independently from the receipt of the deposit, the endorsement shall comprise, in addition to the data prescribed in the previous clause, a statement of the original debt amount guaranteed by the pawn, its yield and the date of its maturity as well as the name, occupation and domicile of the creditor.

3. The first endorsee shall submit a request for recording the pawn debenture endorsement and the data of that endorsement in the warehouse books, along with marking a relevant annotation thereof on the pawn debenture.

Article 140-1: The bearer of the pawn debenture without the deposit receipt shall have a pawn right on the deposited goods.

2. The bearer of the deposit receipt without the pawn debenture shall have the right of withdrawing the deposited goods providing he shall pay the debt guaranteed by the pawn if it is mature and payable. If the debt is not mature or payable he may withdraw the goods before the debt maturity date falls due if he deposits in the warehouse an adequate amount to cover the debt and its yields until the maturity date falls due. This provision shall apply, if the debt matures and the bearer of the pawn debenture does not show up to receive it.

3. The withdrawal may be restricted to a portion of the goods after depositing an amount commensurable with that portion.

Article 141: If the debt which is guaranteed by the pawn is not settled at its maturity date, the bearer of the pawn debenture separately from the deposit receipt may demand selling the pawned goods by following the procedures prescribed in respect of the commercial pawn.

Article 142-1: The pawnee shall have precedence in getting settlement of his right from the price of the goods, over the ordinary creditors, after deducting the following amounts:

A. Taxes and duties payable on the goods.

B. Sale and deposit expenses of the goods and other goods preservation costs.

2. If the bearer of the deposit receipt is absent at the time of selling the goods, the amount exceeding the dues of the pawn debenture bearer shall be deposited in the treasury of the Summary Court within the circuit of which the warehouse lies.

Article 143-1: The bearer of the pawn debenture may not have recourse against the debtor or the endorsers except after levying execution on the pawned goods, and after establishing the inadequacy of the sale proceeds to settle his debt.

2. Recourse against the endorsers shall be within fifteen days from the date of selling the goods, otherwise the right of the bearer to have recourse against the debtor shall *abate*.

3- in all cases, the right of the pawn *debenture* bearer to have recourse against the endorsers shall abate if he does not proceed with the procedures of levying execution on the pawned goods within thirty days from the debt maturity date.

Article 144: if an accident occurs to the goods, the bearer of the deposit receipt or the pawn debenture on the insurance amount, which will become

due if *an* accident occurs, shall have all the rights prescribed for him on the goods as well as.

Article 145-1: The person from whom the deposit receipt is lost or damaged may request the concerned judge at the court within the circuit of which lies the warehouse, to *issue* a court writ on a petition, to deliver to him a copy of the lost or damaged receipt providing he shall prove his ownership thereof, along with presenting a warrantor. The said warrantor shall be relieved of this responsibility with the lapse of six months from the date of submitting the warranty without anyone showing up to claim recovery of the sold goods.

2. The person from whom the pawn debenture is lost may request the concerned judge in the court within the circuit of which lies the warehouse to issue a court writ on a petition to settle the debt guaranteed by the pawn on its maturity date, providing he shall establish his ownership of the lost debenture, and provide a warrantor. If the debtor does not execute the order, the part in whose favor the order is issued shall levy execution on the pawned goods by following the procedures prescribed therefore concerning the commercial pawn, providing the first endorsement on the debenture has been recorded in the warehouse books according to the provisions of clause-2 of article 139 of this law. The warrantor's responsibility shall be relieved with the lapse of six months from the maturity date of the debt without the one in whose favor the order was issued taking procedures of levying execution on the goods.

Article 146-1: If the depositor does not recover the goods at the end of the deposit contract, the warehouse investor may request selling them by following the procedures prescribed therefore in respect of the commercial pawn, and get settlement of the amounts due to him from the proceeds of the sale and deliver the balance to he depositor or deposit it in the treasury of the concerned court.

2. The provision prescribed in the previous clause shall apply if the deposit contract is for an indefinite period, and one year has lapsed without the depositor requesting *recovery* of the goods, or announcing the wish to continue the deposit contract.

Article 147-1: Whoever establishes or invests a general warehouse without obtaining the license referred to in the second clause of article 130 of this law, shall be liable to a jail penalty and a fine of not less than five thousand pounds and not exceeding fifty thousand pounds or either penalty.

2. The court, in case of an indictment sentence, shall have the power to order closing the warehouse and depositing the goods existing in it, in one of the licensed warehouse, at the expense of the judgment debtor, for their delivery to their owners, or disposing of them for their account, according to the provisions prescribed in this chapter. The court shall order publishing the pronounced judgment, comprising an indication of the site of the new warehouse, in a daily newspaper at the expense of the judgment debtor.

Chapter-5
Commercial Agency

Division-I
General Provisions

Article 148: The provisions of commercial agency shall apply, if the agent has taken profession of effecting trade operations for account of third parties.

Article 149-1: If the commercial agency is granted as absolute, it shall only apply to commercial dealings and transactions.

2. If the commercial agency is granted specifically for a specified commercial dealing, the agent may perform all works necessary for carrying out this dealing without need for permission from the principal.

Article 150-1: The Commercial Agency is granted with pay.

2. The pay shall be due to the commercial agent as soon as the transaction he is charged to work out is concluded. The pay shall also be due to him if he establishes that the difficulty of concluding the deal was for reasons attributed to the principal.

3. in other than the two cases referred to in the previous clause, no pay but only compensation shall be payable to the agent for the effort he exerted as prescribed in commercial practices and usage.

4. in exception from the provisions of the second clause of article 709 if the Civil Code, if agreement is reached on the pay of the commercial agent, *this* pay shall not be subject to the estimation of the judge.

Article 151-1: The agent shall follow the instructions of the Principal, if he contravenes them without acceptable justification, the principal may refuse the deal.

2. If no instructions are given by the principal concerning the deal, the agent shall delay its conclusion and ask *for* the instructions from the principal, unless delaying the deal will cause harm to the principal, or if the agent was delegated to work without instructions from the principal.

Article 152: If the goods or objects held by the agent for the account of the principal are threatened with quick deterioration or drop in value, while the agent has received no instructions from the principal in their respect at a suitable time, the agent may request the concerned judge at the court within the circuit of which lies the agent's business center to issue a court writ on a petition to sell the goods in the manner to be determined by the judge.

Article 153: The agent shall have the right to refrain from carrying out the work entrusted to him of performing that work will require unusual expenses and the principal has not sent these expenses to him, unless it was agreed that, or according to previous dealings between the two parties, the principal will pay these expenses.

Article 154: If the agent refuses to carry out the deal entrusted to him, he shall notify the principal thereof forthwith. In this case, the agent shall maintain and preserve the goods and other objects he holds for the account of the principal until he receives instructions in their respect. If the instructions are not received at a suitable date, the agent may request the concerned judge in the court within the jurisdiction of which lies the center of his business to issue a court writ on a petition to deposit the goods or objects with a trustee to be appointed by the judge.

Article 155-1: The agent shall be accountable for the deterioration of the goods or objects he holds for the account of the principal unless this deterioration results from causes the agent or his subordinates have nothing to do with, or from an inherent defect in the goods or the object.

2. The agent shall not insure the objects he holds for the account of the principal unless the principal asks him to do that, or insuring the objects is an exigency of usage and trade practices or is necessitated by the nature of the object.

Article 156-1: The agent may not designate himself as another party to the deal he is charged to conclude except in the following cases:

A. if he is so permitted by the principal.

B. If the instructions of the principal regarding the deal are explicit and the agent carries out the operation precisely as instructed.

C. if the deal is connected with a commodity having a fixed price in the market and the agent bought it or sold it at that price.

2. The agent, in the cases mentioned in the previous clause, shall not receive any pay in return for the agency.

Article 157: A third party who deals with the agent may request the agent to show him the agency deed, the correspondence and other documents fixing or restricting the power of the agent. The restrictions imposed on the power of the agent may not be invoked vis-à-vis third parties unless it is established that the third party was aware of them at the time of signing the contract.

Article 158-1: The agent shall notify the principal of the deals he concludes for his account.

2. The agent shall submit to the principal, at the time agreed upon between them or according to trade practices or previous dealings between them, an account of the works he concludes for his account. This account shall conform to truth. If it comprises premeditatedly untrue or incorrect data, the principal may refuse the deals connected with these data, in addition to his right to claim compensation. The agent shall not receive a pay for these transactions.

Article 159-1: In addition to his right to withhold the goods, the agent shall have a lien right on the goods and other objects sent, or deposited with or delivered to him by the principal.

2. The lien right shall guarantee the agent's pay, as well as the expense and amounts he pays for or lends to *the* principal, and other amounts payable to the agent because of the agency whether they are spent before delivery of the goods or objects or during their existence in the hand of the agent.

3. The lien right shall be determined regardless of whether the debt arose from works connected with the goods or objects that are still in the agent's possession or other goods or objects that were Previously sent to, deposited with, or delivered to him.

Article 160-1: The agent shall not have the lien right referred to in the previous article unless he is holding the goods or objects for the account of the principal. This possession shall be realized in the following cases:

A. If the agent has actually received the goods or objects.

B. If they are placed at his disposal in customs or in a general or special warehouse.

C. If he is possessor of the goods or objects before their arrival by virtue of a bill of lading or any other transport instrument.

D. If he exports them and is still possessor thereof by virtue of a bill of lading or any other transport instrument.

2. If the goods or objects subject to his lien right are sold and delivered to the buyer, the agent's lien right shall be transferred to the price.

Article 161: The trade agent's lien right shall have precedence over all other lien rights, except the judiciary expenses, and the taxes and dues payable to the state.

Article 162-1: The procedures of levying execution on the goods and objects existing in the trade agent's possession.

2. However, if the agent is charged to sell the goods or objects in his

possession, he may levy execution on them by selling them without need to follow the procedures referred to in the previous clause unless it is difficult for him to execute the instructions of the principal concerning the sale.

Article 163: Either party to the commercial agency contract may terminate the contract at all times. The compensation shall not be payable unless the termination of the contract occurs without prior notice or at an unsuitable time. If the contract is for a definite time, its termination shall be based on a gross and acceptable reason, otherwise the compensation shall be payable.

Article 164: If the principal does not have a known domicile in Egypt, his agent's domicile shall be considered a domicile for the principal, and he may be sued and the official judiciary papers may be served on him at that domicile, in connection with the works *carried* out by the agent for the account of his principal.

Article 165: With regard to the reorganization of work in commercial agency business in Egypt, the laws and decrees related thereto shall be applicable.

Division —2

Certain Types of Trade Agency

I-Commission Agency

Article 166-1: A commission agency is a contract by virtue of which the agent undertakes to effect in his name a legal act for the account of the principal.

2. In addition to the general provisions on commercial agency, the provisions prescribed in the following articles shall apply to the commission agency.

Article 167-I: If the commission agent sells at less than, or buys at higher than the price determined by the principal, the principal if he desires to refuse the deal, shall notify the agent of his decision at the nearest time from learning of it, otherwise he shall be considered accepting the price.

2. The principal shall not refuse the deal if the commission agent accepts to bear the price difference.

Article 168-1: If the commission agent buys for account of the principal goods differing from the kind or type the principal required, the principal shall not be committed to accept them.

2. if the agent buys goods conforming to the required goods, but in a Larger quantity, the principal shall not be bound to accept other than the quantity he required. But, if the quantity is less than the requirement of the principal, the latter shall have the choice of either to accept or refuse it.

Article 169: if the commission agent concludes, a contract with better terms than those determined by the principal, the benefit shall devolve to the principal. The agent shall submit his account on the real basis according to which the deal was concluded.

Article 170-1: If the commission agent mandated to sell, grants the buyer a period to settle the price, or allows him to settle by installments without the principal's permission, the principal may require the agent to settle the whole price immediately, and in this case the commission agent may retain the price difference if the deal has been concluded With a higher price.

2. However, the commission agent may grant a time for settlement or accept settlement of the price by installments without the principal's permission, if trade practices in the area where the sale was concluded provide for that, unless the principal's explicit instructions oblige him to sell in full cash payment.

Article 171: If the principal's instructions provide for selling with deferred

price, and the commission agent sells in full cash, the principal may not require him to pay the price except at the maturity date determined by him. In this case the commission agent shall pay the price on the basis of deferred sale.

Article 172-1: The commission agent may not change the trade marks placed on the goods he receives from the principal or for his account unless this takes place within the limits of the law and he is authorized expressly to do that.

2. If the commission agent holds a number of goods of the same variety, which sent to him from different principals, he shall place on each sort of goods a statement characterizing each type.

Article 173-1: The commission agent may mention the name of the principal he deals for his account unless the principal asks him not to reveal his name. Such disclosure of the principal's name shall not change the nature of the agency as long as the agent concludes the contract in his own name.

2. The commission agent shall disclose to the principal the name of the third party who concluded the contract with him, if the principal requires him to do that. If the commission agent refrains from disclosing the name of the third party, without acceptable justification, he may then be considered guarantor for execution of the deal.

Article 174-1: The commission agent shall be directly responsible vis-à-vis the third party with whom he concludes the contracts. This third party shall also be directly responsible vis-à-vis the commission agent.

2. The third party who concludes the contracts with the commission agent shall not have the right of recourse to the principal, nor shall the principal claim remedy from the third party by lodging a direct court action unless otherwise provided by the law.

Article 175-1: if the commission agent who is charged to sell becomes bankrupt before receiving the goods sold from the buyer , the principal may claim from the buyer directly to settle the Price to him.

2. if the commission agent who is charged to buy becomes bankrupt before receiving the goods sold to him, the principal may claim from the seller directly to deliver the sold goods to him.

Article 176-1: The commission agent shall not guarantee the settlement of obligations of the third party with whom he concludes the contracts unless he expressly pledges to guarantee him, or it is prescribed in the law or provided for in trade practices of the area wherein he exercises his activities.

2. Special pay shall be due to the guarantor commission agent, which the

court shall determine in case no agreement or trade usage and practices exist in respect thereof.

2-Contracts Agency

Article 177: Contracts agency is a contract under which a person undertakes on a permanent basis, and in a specific area of activity, promoting, negotiating and concluding transactions and deals in the name and for the account of the principal in return for pay. His assignment may also comprise executing the contracts in the name and for the account of the principal.

Article 178: The contract agent shall assume the exercise of his agency works and the management of his commercial activity in respect thereof, on an independent basis. He shall alone bear the expenses necessary for managing his activities.

Article 179: The principal shall not have recourse to more than one contract agent in the same area and for the same branch of activity. Nor shall the contract agent represent for more than one establishment exercising the same activity in the same area, unless otherwise agreed explicitly by the two parties.

Article 180: The contract agency deed shall be recorded in writing, and shall

particularly indicate the limits of the agency, the pay of the agent, the area of his activity, and the period of the contract if it is for a definite period.

Article 181: If in the deed it is stipulated that the contract agent shall erect a building for display, stores for the commodities, or repair or maintenance installations, the term of the contract shall not be for less than five years.

Article 182-1: The contract agent shall not receive the rights of principal, unless the principal grants him this right in which case the agent shall not grant a reduction or a term without a special authorization.

2. The contract agent may receive the orders related to the execution contracts concluded through him. He shall be considered a representative of his principal in the court actions connected with these contracts, as brought by or against him in the area of the agent's business.

Article 183-1: The principal shall settle the pay agreed upon to the agent.

2. This pay may be a percentage of the value of the transaction. This percentage shall be calculated on the basis of the selling price to customers unless otherwise agreed upon.

Article 184 : if the contract agency is confined to one agent in a defined area, the contract agent shall receive his pay for the transactions/deals

concluded by the principal directly or via third parties in this area, even if these transactions *have* not been concluded by endeavors of this agent, unless otherwise agreed explicitly between the two parties.

Article 185: The principal shall provide the agent with all data and information necessary for implementation of the agency task, and supply him, in particular, with the specifications of the commodities, forms, drawings, trademarks and other data that should assist him in promoting the sale of the commodities subject of the agency as well as marketing them.

Article 186: The contract agent shall maintain the rights of the principal He shall have the right to take all protective measures necessary to preserve these rights. He shall provide his principal with the data and information concerning the status of the market in the area of his activities.

Article 187: The contract agent shall not disclose the secrets of the principal to which he will have access on the occasion of implementing the agency task, even if this takes place after the end of the contractual relation.

Article 188-1: The contract agency deed shall be concluded in the common interest of the two parties. If the deed is for an indefinite period, the principal shall not end it without the occurrence of a fault by the agent, otherwise he shall compensate him for the harm caused to him as a result of such removal. All agreement to the contrary of that shall be null and invalid.

2. The agent shall compensate the principal for the damage/harm caused to him if he relinquishes the agency at an unsuitable time and without an acceptable excuse.

Article 189-1: If the deed is for a definite term, and the Principle decides not to renew it at the expiry of its term, the agent shall have the right to receive a compensation to be determined by the judge even if there is an agreement to the contrary.

2. For such compensation to be payable, the following is stipulated.

A- The agent shall not have committed an error or deficiency in the course of executing the deed.

B- The activity of the agent shall have led to evident success in promoting the sales of the commodity or increasing the number of customers.

2. In estimating the compensation due consideration shall be given to the harm and damage caused to the agent and the degree of the benefit accruing to the principal from the agent's efforts in promoting the sales of the commodity and increasing the number of customers.

Article 190-1 The compensation court action referred to in the previous articles shall abate with the lapse of ninety days from the time of deed termination.

2. All other actions resulting from the contract agency deeds shall abate with the lapse of two years from termination of the contractual relation.

Article 191: In exception to the jurisdiction rules as prescribed in the Procedure Code, the court, within the circuit of which lies the location of implementing the deed, shall be concerned with examining all disputes arising from the Contracts Agency Deed.

Chapter-6

Brokerage

Article 192: Brokerage is a contract under which the broker undertakes to a person to look for a second party to conclude a specific contract and mediate for its conclusion.

Article 193: If the broker's pay is not determined in the law or in the agreement, it shall be determined as prescribed in trade practices and usage. If no such usage exists, the judge shall estimate it based on the broker's exerted effort, and the time he exhausted in fulfilling the work he was charged to perform.

Article 194-1: The broker shall not deserve his pay except when his mediation Leads to concluding the contract. if the contract was not concluded with the person delegating him due to the latter's obstruction the court may compensate the broker for the effort he exerted.

2. The broker shall be paid his dues upon concluding the contract, even if he has not executed the whole or part of it.

3. If the contract is pending on a condition, the broker's recompense shall not be payable to him unless the condition is realized.

4. If one of the contract effects depends on completing a specified legal procedure such as 'registration' in selling a realty, or recording in the 'official mortgage', the broker's recompense shall be payable to him upon concluding the heads of agreement

Article 195: If the contract that the broker mediated in concluding is rescinded, he may claim his pay, or keep the pay if he has already received it unless fraud or gross error is established on his part

Article 196: The court may reduce the pay of the broker if it is inconsistent with the effort he exerted, unless the pay agreed upon was paid after concluding the contract which the broker mediated in concluding.

Article 197: If the broker mediates in concluding a legally banned deal, no recompense shall be payable to him.

Article 198-1: The recompense of the broker shall not be payable to him except from the party to the contract who mandated him to seek its conclusion.

2. If the mandate is issued from the two parties, each of them shall be responsible, separately and not jointly between them, vis-à-vis the broker,

for settling to him the recompense payable thereto, even if they have agreed between them that one of them shall pay him the whole recompense.

Article 199: The broker may not retrieve the expenses he spent in executing the work he was charged to perform, unless agreement was reached on retrieving it, in which case the expenses shall be payable to the broker, even if the contract has not been concluded.

Article 200: The broker, even if he was not mandated except by one of the parties to the contract, shall display the deal to both parties with honesty, and shall inform them of all conditions he is aware of regarding the deal. The broker shall be responsible toward them for any fraud or gross error emanating from him.

Article 201: The broker shall not join himself as party to the contract he mediates to conclude, unless the contracting party allows him to do that. In this case no recompense shall be payable to the broker.

Article 202: The broker shall be responsible for compensating the harm caused by the destruction or loss of the documents, papers, or objects related to the contract he is mediating to conclude, unless he establishes The force majeure.

Article 203: The broker shall not guarantee the affluence of the two parties to the contract he is mediating to conclude, and shall not be accountable for the implementation of the contract, or the value or kind of the goods related thereto, unless fraud or gross error is established on his part.

Article 204-1: If the broker delegates someone for the implementation of the work assigned to him, without being licensed For that, he shall then be accountable for the work of his assigned delegate as if that work emanated from him. The broker and his delegate shall be jointly responsible.

2. If the broker is authorized to assign a delegate for him, Without appointing the person of that delegate for him, he shall not be *accountable* except for his error in choosing his delegate or the ‘error in his instructions as issued to his delegate.

3. in all cases, the party mandating the broker and the broker’s delegate may have remedy directly over each other.

Article 205-I: If several brokers are mandated by virtue of one contract, they shall be jointly responsible for the work they are charged to perform unless they are authorized to work severally.

2. If several persons delegate one broker, in a joint work among themselves, they shall be jointly accountable vis-à-vis that broker for all that is payable to him, in implementation of that mandate, unless otherwise agreed upon.

3. If the contract is concluded with the mediation of several brokers, and no

separate pay is determined for each of them, then a portion in the joint recompense shall be payable to each of them in proportion of the effort exerted by each one in concluding the contract.

Article 206-1: The broker shall record in his books all dealings as concluded through his endeavors, and keep their relevant documents. He shall give true copies of them to whoever of the contracting parties requests to get them. The provisions of the commercial books shall apply to these books.

2. In selling by sample, the broker shall keep the sample unless it is perishable, until the buyer accepts the goods without reservation, or until all disputes in respect thereof are settled.

Article 207: Provisions as are prescribed in the laws on brokerage shall apply to brokerage in the stock exchange.

Chapter-I

Transport

General provisions

Article 208: The transport contract is an agreement by virtue of which the carrier shall transport persons or objects by his special means of transport to a specified place in return for pay.

Article 209-1: With the exception of maritime transport, the provisions Prescribed in this chapter shall apply to all types of transport whatever the quality of the carrier, unless otherwise prescribed in the law.

.2. These provisions shall also apply to transport even if it is coupled with operations of another nature, unless these operations are the main Purpose of the contract.

Article 210-1: The transport contract and the commission agency contract for transport shall be concluded by mere agreement. This contract may be established by all methods of evidence as legally prescribed.

2.The carrier's receipt of the object subject of transport shall be considered acceptance on his part of the offer issued from the sender.

3. The passenger's boarding of the means of transport shall be considered acceptance of the offer issued from the carrier unless it is established that the intention of the passenger was not toward concluding the transport contract.

Article 211-1: If the carrier has more than one form of the contracts he concludes, the transport shall be considered as contracted for by virtue of the form comprising the general conditions, unless agreement is reached on following another form comprising special conditions.

2. If agreement is reached on following a special form, the conditions comprised therein shall not be divided.

Article 212: If the carrier monopolizes a type of the means of transport, or the investment of specific transport lines, he shall accept whatever transport orders are submitted to him, unless the request contravenes the general conditions prescribed for transport, or the carrier meets with practical difficulty in implementing it for reasons he and his subordinates have nothing to do with their occurrence.

Article 213-1: The carrier's responsibility shall cover his and his subordinates' deeds, which occur from them during the performance of their services.

2. All persons employed by the carrier in implementing the obligations ensuing from the transport contract shall be considered subordinate.

3. Each condition, which provides for exempting the carrier from the responsibility for the deeds of his subordinates, shall be null and invalid.

Article 214-1: In transport contracts, the explosion or burning of the means of transport, their derailment from the tracks on which they run, their collision, or other such accidents as are ascribed to the tools or machines which the carrier uses in prosecuting the transport, even if it is established that he has taken due precaution to guarantee their efficiency for work, and to prevent the harm and damage caused thereby, shall not be considered force majeure.

2. The accidents that are due to the sudden decease of the carriers subordinates, or their suffering from physical or mental weakness during the work, even if it is established that the carrier has taken due precautions to guarantee their physical and mental fitness shall also not be considered force majeure.

Article 215-1: The carrier shall not be responsible for compensating the harm caused by obstruction of the transport operation, or by swerving from the road determined therefore, by reason of being obliged to extend help to any sick or Injured person, or a person in danger.

Article 216-1: fraud in transport matters means all deed, act, or abstention emanating from the carrier or his subordinates, with the aim of causing harm and damage.

2, Gross error means all deed, act, or abstention emanating from the carrier or his subordinates with indiscretion coupled with awareness of the harm and damage that might result therefrom.

Division I

Transport of Objects

Article 217-I: The consignor shall provide the carrier with data on the name and address of the consignee, the place of destination, the kind of objects to be transported, their type, weight and *size*, the method of packing them, the number of parcels comprising them, and other data the carrier may require, or as prescribed in the law in order to define the description of the object.

2. The consignor shall be accountable for the harm and damage resulting from the untrue and incorrect data provided by him, or their inadequacy.

Article 218-1: If a consignment note is drawn up, it shall comprise, particularly, the following data:

A- Place and date of the consignment note.

B- Name of the consignor and consignee as well as the carrier's commission agent —if any- and their addresses.

C- Place of shipment and destination.

D- The data concerning the determination of the object to be transported, such as its weight and volume, the methods of packing it, the number of parcels, and all other data necessary to define the description of the object and the estimation of its value.

E- The date determined to assume the transporting process.

F- The transport charges and other expenses, along with indicating Whether they are payable by the consignor or the consignee.

G- The conditions for loading or unloading, the kind of carriages used in the transport operation, the road to be followed, determination of the liability and other special conditions that might be included in the transport agreement.

2. The consignor may ask the carrier to deliver to him a copy of the consignment note duly signed by the carrier.

Article 219: If no consignment note is drawn up, the consignor may request a receipt duly signed by the carrier to the effect that the latter has received the object to be transported. The receipt shall be dated and Comprise the adequate data for determination of the description of the object and Eht transport charges

Article 220: The consignment note may be drawn up in the name, or to order, of a determined person, or to bearer. The consignment note shall be circulated according to the rules prescribed in the Civil Code on transfer of debt if it is nominal, by endorsing it if it is to order, or by handing it over if it is to bearer.

Article 221: The consignment note is an evidence as to the data set forth therein, and those who claim something contrary to these data shall provide evidence of their claim.

Article 222: The rights ensuing from the transporting deed shall not be established for the consignee, nor shall he bear the obligations resulting from it unless he accepts these debts and obligations explicitly or implicitly. The consignee's receipt of the consignment note, or the transported object, the claim to deliver the transported object, or issuing instructions in respect thereof shall specifically be considered as implicit acceptance.

Article 223-1: The consignor shall deliver to the carrier the object and the documents necessary for effecting the transporting process. The consignor shall be responsible for the inadequacy of these documents or their nonconformity to reality. The carrier shall be responsible for their loss or misuse.

2. If the process of transporting goods necessitates special preparedness on

the part of the carrier, the consignor shall notify him thereof in ample time before delivering the object to him.

3. Delivering the object to be transported shall take place at the location of the carrier, as defined in the transporting contract, unless otherwise agreed upon.

Article 224-1: If the nature of the object necessitates preparing it for transport by wrapping, packaging or packing, the consignor shall Perform that in a way protecting the transported object from destruction or deterioration, and avoiding the exposure of persons or other property transported therewith to harm. If the transporting conditions require following a specific way of wrapping, packaging or packing, the consignor shall observe complying therewith.

2. The consignor shall be accountable for the harms ensuing from defect in wrapping, packaging or packing. However, the carrier shall be accountable for these harms if he accepts transporting the consignment while he is aware of the defect. The carrier shall be considered aware of the defect if it is visible, or it cannot be a hidden defect to the ordinary carrier.

3. The carrier shall not disavow his responsibility for the destruction or damage occurring to the objects he transported by establishing that the harm originated from a defect in wrapping another object, or in packaging or packing it. All agreement contrary to that shall be null and void.

Article 225-1: The carrier shall have the right to check and examine the objects required to be transported, to ascertain their actual condition and the validity of the data given by the consignor in their respect.

2. If examining the object necessitates removing the covers or opening the receptacles, the consignor shall be notified to attend the examination and checking process. If he fails to attend at the date specified therefore, the carrier may carry out the examination process in the absence of the consignor, and the carrier may then have remedy over the consignor or consignee for the examination expenses.

3. If, through examination of the object, it transpires that its condition does not allow for transporting it without harm, the carrier may refuse transporting the object, or may implement the transport order after taking a declaration from the consignor of his knowledge about the condition of the object, and his acceptance to transport it. The condition of the object and the consignor's declaration shall be recorded in the consignment note.

Article 226: The carrier's receipt of the objects to be transported, without reservation on his part, shall mean he has received the said items in good condition and confirming to the data indicated in the consignment note. If he argues otherwise he shall provide due evidence confirming his claim.

Article 227-1: The carrier shall load the consigned object on a means of transport unless otherwise agreed upon.

2. If agreement is reached that the consignor shall assume the loading of the transported object, the carrier shall not be accountable therefore. However, if the carrier accepts to do the transportation without reservation, it shall be assumed that the loading has taken place according to the valid norms until the carrier provides evidence to the contrary.

3. If the consignor asks for loading on a means of transport with designated specifications, the carrier, then, shall not be responsible for the harm resulting from using that transport.

Article 228-1: The carrier shall follow the route agreed upon. If no agreement is reached on following a specific route, he shall follow the best of routes.

2. However, the carrier may change the route agreed upon, if he is forced by necessity to do that. In this case, the carrier shall not be accountable for the delay or other harms resulting from changing the route, unless fraud or gross error is established on his part or on the part of his subordinates. The carrier shall also have the right to claim the additional expenses resulting therefrom.

Article 229-1: The carrier shall guarantee the safety of the consigned object during the execution of the transporting contract.

2. If the maintenance of the transported object in the course of the route necessitated re-packing, repairing the covers, increasing or diminishing them, or other necessary arrangements, the carrier shall perform that task and pay whatever expenses are required therefore, providing he shall have remedy over the consignor or the consignee for such expenses, unless such arrangements are due to an error of the carrier. However, the carrier shall not be committed to perform unusual arrangements during the process of transporting the object, such as spraying the plant with water, feeding the animal, giving it water, or providing medical services thereto, unless otherwise agreed upon.

Article 230-1: The carrier shall unload the object transported thereby on its arrival unless otherwise provided by the law or differently agreed upon. In the latter case, the carrier shall not be accountable for the harm caused by the unloading process.

2. In all cases, the carrier shall bear the unloading expenses unless otherwise agreed or applied in transport practices and usage.

Article 231-1: if the delivery is not mandatory at the place of the consignee,

the carrier shall notify him of the arrival of the consigned object and the date during which he may arrive to receive it.

2. The consignee shall receive the transported object at the date defined by the carrier, and shall bear the warehousing expenses. The carrier, after the lapse of this date, may transport the goods or to the location of the consignee in return for an additional charge.

3. The consignee may ask to check the consigned object before receiving it. If the earner *refrains* from enabling him to do that, the consignee may then refuse to receive the transported object.

Article 232-1: The consignor, during the existence of the consigned object *in* the carrier's possession, may order him to refrain from transporting it, or stop transporting it and proceed with returning the consigned object to the consignor or direct it to another person than the original consignee, or to another place, and other such instructions, providing the consignor shall pay to the carrier the freight already done, the expenses and compensation for the harm caused thereto account of the new instructions. If the consignor had already received a copy of the consignment note, he shall submit it to the carrier to record the new instructions in it duly signed by the consignor, otherwise the carrier may refrain from executing these instructions.

2. The right to issue the instructions connected with the transported object shall be transferred to the consignee upon receiving the consignment note. In

this case as well, the consignment note shall be handed to the carrier to record in it the new instructions duly signed by the consignee, otherwise the carrier may refrain from executing them.

3. No fresh instructions connected with the transported object may be issued after its arrival and after the consignee has asked to receive it, or was notified to come to receive it.

Article 233: The carrier shall execute the instructions issued to him by the one having the right to issue them according to the provisions of article 232 of this law, unless they contradict the transporting conditions, or if the carrier finds it practically difficult to execute them, or if implementing them is liable to cause confusion to the transporting movement, or the value of the transported object is insufficient to cover the expenses the carrier will sustain because of their execution. in these cases the carrier shall notify the one who issued the fresh instructions of his refrain from executing them, and the reason for such refrain. The carrier shall be responsible if he refrains from executing the instructions without justification.

Article 234-1: If transport stops during the transporting process, Of the consignee fails to show up to receive the transported object, or attends but refuses to receive it or pay the freight and expenses due thereon the carrier shall notify the consignor accordingly and ask for his instructions And, in exception to the provisions of article 232 of this law, the carrier shall execute the instructions he receives from the consignor even if the consignor

finds it practically difficult to submit the *consignment* note he received from the carrier.

If the instruction of the consignor are no received within an appropriate date, carrier may request the concerned judge to appoint one or more experts to record the condition of the transported object and permit him to deposit it with a trustee for the account and on the responsibility of the consignor, or to sell it the way he defines if the transported object is liable to destruction, deterioration, or decline of its value, or if its maintenance requires exorbitant expenses, and deposit the price with the treasury of the court for the account of the parties concerned.

Article 235-1: The consignor shall pay the freight and other expenses due to the carrier unless it was agreed that the consignee shall pay them.
2. If it is agreed the consignee shall pay the freight and other expenses, each of the consignor and the consignee shall be jointly responsible for paying it, vis-à-vis the carrier.

Article 236: The freight shall not be payable to the carrier for objects transported thereby and destroyed by force majeure.
Article 237-1; If a force majeure halts transporting the consigned object, no freight shall be payable to the carder.

2. If the force majeure prevents continuing the transporting process, the freight expenses of only the executed portion shall be payable to the carrier.
3. In all cases, the carrier may claim the freight, and unloading and other necessary expenses.

Article 238: The right to claim back the amount paid in excess of the freight agreed upon or that which is decided in the transport conditions shall be for those who paid the freight.

Article 239-i: The carrier shall have the right to withhold the transported object against receiving the freight, expenses and other amounts due to him for his transporting services.

2. The carrier enjoys a lien right on the price resulting from the execution levied on the object to secure settlement of all amounts due and payable to him. In levying such execution, the execution procedures on objects commercially pawned shall be applied.

Article 240-1: The carrier shall be accountable from the time he receives the object to be transported, for its destruction wholly or partially, and for its deterioration, as well as for the delay in delivering it.

2. The object being transported shall be considered Practically ‘destroyed altogether, if the carrier does not deliver it or fails to notify the consignee to come to receive it within thirty days from the lapse of the date determined for delivery of the consigned object, or the lapse of the time the ordinary carrier exhausts in transporting if found in the same conditions and does not determine a date for delivery.

Article 241: The carrier shall not be accountable to: the destruction or deterioration of the object after delivering it to the consignee or his assigned proxy, or the trustee appointed by the judge to store the consigned object,

unless fraud or gross error is established on the part of the carrier or his subordinates.

Article 242-1: The carrier shall not be accountable for the decrease in weight or size occurring to the transported object during its transport, by force of its nature, unless the decrease is established to have occurred from another reason.

2. If the consignment note comprises several objects divided into sets or parcels, the tolerated decrease shall be divided on the basis of the weight of each set or each parcel, if the weight is defined separately in the consignment note or it was possible to define it.

Article 243: If the object is transported under the supervision of the consignor or the consignee, the carrier shall not be accountable for its destruction or damage, unless fraud or gross error is established on his part or on the part of his subordinates.

Article 244-1: The carrier shall not disavow his liability for the destruction of the transported object, or its damage or the delay in delivering it, except by establishing the effect of a force majeure, or inherent defect in the transported object, or the error of the consignor or the consignee.

2. If the carrier establishes one of the effects mentioned in the previous clause, the claimant may reverse this evidence by establishing a proof that the harm did not occur because of it.

Article 245-1: All provisions exempting the carrier from the responsibility for the destruction of the transported object wholly or partially or for deterioration shall be null and void.

2. All conditions liable to commit the consignor or the consignee to pay all or part of the costs of insurance against the carrier's responsibility, and also all stipulation providing for assignment by the consignor or the consignee of the rights resulting from insuring the object against transport risks to the carrier, shall be considered as an exemption from the liability.

Article 246-i: The carrier may:

A-. Stipulate determining his responsibility for the destruction of the transported object, wholly or partially, or for its deterioration, providing the compensation agreed upon shall not be less than one third of the value of the transported goods at the place and time of transporting them. All agreement on less than this limit shall be increased to reach its amount

B- Stipulate exempting him totally or partially from his liability for the delay.

2. The condition providing for exemption from or determination of the responsibility shall be written in the consignment note, otherwise it shall be considered as null and non-existent. If the transporting contract is written on printed forms, the condition shall be vivid and written in a manner drawing the attention, otherwise the court may consider this condition as null and non-existent

3. The carrier shall not insist on the condition for exemption from the responsibility or for its determination, if fraud or gross error is established on his part or on the part of his subordinates.

Article 247-1: If the transported object is destroyed or damaged without mention of its value in the consignment note, the compensation shall be

estimated on the basis of its actual value at the place and time of arrival, unless otherwise provided by the law or differently agreed upon. Except for the case of total destruction, in estimating the compensation the value of the tolerated decrease shall be observed according to article 242 of this law.

2. If the value of the transported object is indicated in the consignment note, the carrier may contest and controvert in respect of this value, and prove by all methods of evidence the real value of the transported object.

3. With the exception of the cases of fraud and gross error on the part of the carrier or his subordinates, the carrier shall not be accountable for the destruction of the object he was charged to transport, comprising money, securities, jewels, rarities, or other precious objects, except within the limits of written data the consignor had submitted in their respect.

Article 248-1: Combining the compensation for total destruction and the compensation for delay shall be disallowable.

2. No court ruling shall be issued compensating the delay in case of partial destruction except for the portion remaining undestroyed.

3. In all cases, the compensation ruled by the court shall not exceed the amount payable in case of destruction of the whole object.

Article 249: If the transported object is damaged or delayed in arrival thus becoming unfit for its designed *purpose*, and the carrier is established to have been responsible for the damage or delay) the claimant of the compensation

may give up the object to him against obtaining compensation to be estimated on the basis of total destruction of the object.

Article 250-1: If the compensation is paid due to the destruction of the transported object, then the object is found within a year from the date the compensation was paid, the carrier shall promptly notify the person who received the compensation, and advise him of its condition, along with inviting him to come and examine the object at the place where it is found, or the place of departure or that of arrival, as chosen by the person who received the compensation.

2. If the person who received the compensation fails to send his instructions within fifteen days from the date he receives the notification, or sends the instructions but fails to attend the inspection of the found object at the time determined by the carrier, or if he arrives but refuses to recover the object, the carrier may dispose of it.

3. If the person who received the compensation asks to recover the object, he shall refund the compensation he received, after deducting the expenses and the charges for the harm caused because of the delay in delivering the object.

Article 251-1: Receiving the transported object, without reservation, shall extinguish the right to have remedy over the carrier because of partial deterioration or damage, unless the consignee registers the condition of the

object and lodges a case against the carrier within ninety days from the date of delivery.

2. The carrier shall not insist on refusing the case according to the previous clause:

A- If it is established that the damage or deterioration originated from fraud or gross error on the part of the carrier or his subordinates.

B- If it is established that the carrier or his subordinates premeditatedly hid the partial destruction or deterioration.

3. Recording the condition of the object referred to in the first clause of this article shall be done by one of the administration officers or by an expert, the competent judge shall appoint by a court writ on memorandum.

Article 252-1: If several carriers successively executed One transporting contract, each of them shall be responsible jointly with the others vis-à-vis the consignor or the consignee, as if the carrier alone executed the contract, and all condition to the contrary shall be null and void.

2. If one of the successive carriers pays the compensation Or the compensation is claimed officially from him, he can then have remedy over the other carriers, each in proportion of his dues of the transporting charges. The share of the insolvent shall be distributed among the others in the same

proportion. The carrier who establishes that the harm did not occur in the portion transported by him shall be exempted from sustaining the responsibility.

Article 253: The last carrier shall be accountable vis-à-vis the former carriers concerning the claim made to the consignee for the amounts due in respect of transporting the consignment. He shall have the right of collecting them on their behalf and taking legal procedure toward collecting the transporting charges, including the use of the lien right on the transported object.

Article 254-1: All court action arising from an object-transporting contract shall become subject to prescription with the lapse of one year from the date of delivering the transported object to the consignee, or to customs, or to the trustee appointed by the judge, in order to store the transported object. In case of total destruction of the object, the period shall begin from the lapse of the time prescribed in clause-2 of article (240) of this law.

2. The carrier's action to have remedy on the successive carriers according to clause-2 of article (252) of this law, shall be subject to prescription with the lapse of ninety days from the date of settling the compensation or the date of claiming it officially.

3. Whoever commits a fraud or gross error, personally, or by his subordinates shall not insist on the prescription stipulated upon in this article.

Division — 2

Transport of Persons

Article 255-1; The passenger shall pay the transport fare at the time agreed upon or defined in the transporting regulations, or as applied in transport practice and usage.

2. He shall follow the carrier's instructions concerning transport.

Article 256-1: If a force majeure prevents carrying out the transporting process, or conditions cropped up before carrying it out turning it dangerous to lives, the carrier shall not pay compensation due to his failure to transport, nor shall the transport fare be payable to him.

2. If the force majeure or the danger to lives occurs during the transporting process, the carrier shall not be paid the fare except for the portion completed of the transport,

Article 257-1: If the passenger changes his plan before the transport begins, he shall inform the carrier of his decision before the day set for the transportation process. In case of necessity, the notification may be given on the said day, providing it shall be handed before the hour defined for execution of the transport.

2. If the notification takes place according to the previous clause, the transporting fare shall not be payable to the carrier.
3. If the passenger gives up continuing the transport after beginning it, he shall pay the fare in full, unless it was necessary for him to take that decision, in which case the fare shall only be payable for the portion of the transport already executed.

Article 258: Subject to the provisions of article 257 of this law, if the passenger fails to come at the time determined for transport, he shall pay the fare in full. If he has paid it, he may be transported at a subsequent time, unless otherwise agreed upon, or differently applied in transporting usage and practices.

Article 259: If transport is delayed for reasons attributed to the carrier or his subordinates or the means of transport he uses, the passenger may choose another means of transport. In this case, the carrier shall sustain the expenses to be involved in sending him to the place agreed upon. The passenger may however wait until the transport operation is back to normal, in which case he may not be forced to pay any additional fare, subject to the right of the passenger to compensation in both cases if so necessary.

Article 260: The transport ticket may be assigned before transport takes place unless the ticket is in the name of the passenger and personal considerations are observed in issuing it.

Article 261-1: If the passenger is obliged to use a seat/place in a lower class than that indicated in the transport ticket, he may claim, from the carrier the difference between the fares of the two classes.

2. If the passenger pays an additional fare in return for special privileges, he may claim refunding this fare if the carrier does not provide the privileges related to that fare.

Article 262: The carrier may withhold the luggage of the passenger to secure collecting the transport fare and other amounts payable for the transport. The carrier shall have a lien right on the price resulting from levying execution on this luggage for settlement of all amounts due to him for his transport services. The procedures of levying execution on commercially pawned objects shall be followed in this respect.

Article 263-1: The carrier shall carry the passenger and his luggage to the place of destination at the time agreed upon or as mentioned in the transport regulations, or as applied in transport practices and usage. In case no determination of time is set, the transport shall be executed within the time a standard and ordinary carrier takes if found in similar conditions.

2. The carrier, before carrying out the transport process, or while in route shall examine the luggage of the passenger in his presence — if possible- to ensure their conformity to transport requirements.

Article 264-1: The carrier shall guarantee the safety of the passenger during the implementation of the transport contract. All agreement providing for exemption of the carrier from this guarantee shall be null and void.

2. Implementing the transport contract shall comprise the period lying between the passenger's boarding of the means of transport at the place of departure and his debarking the transport means at the place of arrival. In case there a platform or quays for berthing the means of transport, the implementation of the transport contract shall comprise the period between the entry of the passenger to the quay at the place of departure and his exit from the quay at the place of arrival. If it is decided necessary to change the means of transport in route, the guarantee shall not comprise the period of transferring the passenger from one means of transport to another unguarded by the carrier or his subordinates.

Article 265: The carrier shall be accountable for the following:

1. Delay in arrival to destination.
2. Physical/bodily or non-physical harms caused to the passenger during the transport contract.

Article: 266- The carrier shall not renounce his responsibility for the delay or physical or non-physical harms caused to the passenger during the

execution of the transport contract, except by establishing the force majeure, or the passenger's error.

Article 267-1: All condition providing for exempting the carrier wholly or partially from the responsibility for the physical detriment caused to the passenger shall be null and void.

2. All condition that is liable to oblige the passenger to pay all or part of the cost of insurance against the carrier's responsibility and all condition by virtue of which the passenger assigns to the Carrier his right of insurance against the carrier's errors shall be regarded practically as a condition for exemption from responsibility.

Article 268-1: The carrier may stipulate exempting him, wholly or partially from the responsibility arising from delay or non-physical detriment caused to the passenger.

2. The conditions for determining the responsibility and exemption therefrom shall be in writing, otherwise it shall be considered as null and void. If the transport contract is drawn up on printed forms, the condition set therein shall be vivid and written in a manner drawing the attention, otherwise the court may consider this condition as null and void.

3. The carrier shall not insist on the condition for determining the

responsibility or exemption therefrom if it is established that fraud or gross error was issued on his part or his subordinates.

Article 269-1: The passenger shall guard the luggage and animals he is licensed to transport with him. The carrier shall not be accountable for their loss or the harm caused to them, unless the passenger establishes the issue of an error from the carrier or his subordinates.

2. The passenger shall be accountable for the harm caused to the carrier or his subordinates or to third party because of the luggage or animals he carried with him.

3. The provisions applicable to the transport of objects shall apply to the transport of luggage delivered to the carrier.

article 270-1: if the passenger dies or contracts a disease during transport contract, the carrier shall take necessary arrangements for preservation of the luggage until it is delivered to the concerned parties

3. If a concerned person happens to be present at the time of the passenger's death or when falling sick, he may interfere to watch the arrangements taken by the carrier and ask him to deliver thereto a declaration that the luggage and effects of the deceased passenger exist his possession.

Article 271: The successors of the deceased passenger, and the persons he

supports in implementation of an alimony/maintenance obligation, may file a liability action against the carrier claiming compensation from him for the harm caused to their ancestor or supporter, whether the death occurred directly following the accident, or after the lapse of a period of time from its occurrence.

Article 272-1: All action arising from the transporting contract, the merits of which are concerned with claiming compensation from the carrier for the passenger's death or for causing physical harms to him, shall prescribe with the lapse of two years. This period shall begin, in case of the passenger's death, from the date the decease occurs, and in case of a physical injury from the date the accident takes place.

2. All other action arising from the passenger's transporting contract shall prescribe with the lapse of one year. This period shall begin from the time determined for arrival to destination. in case the date is not defined, it shall begin from the period an ordinary carrier takes in transport if found in the same conditions.

3. Those on whose part fraud or gross error emanates shall not insist on the prescription stipulated upon in this article.

Division —3

Transport Commission Agency

Article 273-1: The commission agency for transport is a Contract by virtue of which the agent concludes in his name and for account of his principal a contract for transport of objects or persons, and in case of necessity for carrying out transport related operations.

2. If the commission agent for transport assumes and transport process by his own means, he shall be considered carrier and the transport contract provisions shall apply to him.

Article 274: With the exception of the provisions prescribed in the following articles, the provisions concerning the transport commission agency contract shall apply to the commission agency for transport.

Article 275: The principal may at all time cancel the transport and order before the agent concludes the *transport* contract providing the principal shall refund the expenses sustained by the agent and compensate him for the work performed.

Article 276-1: The commission agent for transport shall execute the

instructions of his principal especially those connected with the transporting date, choosing the carrier, and the route to be followed.

2. The commission agent for transport shall not record in his principal's account, a transport fare more than that agreed upon with carrier. The benefit of all privileges the agent obtains front the carrier shall devolve try the principal unless otherwise agreed upon in the commission agency contract or where differently applied in transport usage and practices.

Article 277: The commission agent for transport shall guarantee the safety of the passenger or the object being transported. All agreement to the contrary shall be null and void.

Article 278: 1-The commission agent for transport shall be accountable, from the time he receives the object to be transported, for the destruction of that object, totally or partially, for its deterioration or for the delay in its delivery. He shall not disavow this responsibility except by establishing the existence of the force majeure, an inherent flaw in the transported object, or the error of the principal or consignee.

2-In transport of persons, the commission agent shall be accountable for the delay in arrival to destination, and for the physical or non-physical harm attaining the passenger during the execution of the transport contract. He shall not disavow this responsibility except by establishing the existence of a force majeure or the passenger's error.

Article 279- 1: The following shall be null and void:

A- All condition providing for the exemption of the commission agent from the responsibility for destruction of the object being transported, wholly or partially, or its deterioration.

B- All condition providing for his exemption from responsibility for the physical harms occurring to the passenger

2. Each condition that is likely to force the consignor or the consignee in the transport of objects, force the passenger in the transport of objects, and force the passenger in the transport of persons, to pay all or some costs of insurance against the transport commission agent's responsibility. Also, each condition by virtue of which the consignor or the consignee, or the passenger assigns to the commission agent the rights resulting from the insurance he concluded against transport risks, s considered as an exemption from responsibility.

Article 280:1- Except for the cases of fraud and serious error on the part

of' the commission agent for transport or one of his subordinates, or the carrier or one of his subordinates, the commission agent for transport may stipulate the following:

A. Determining his liability for the destruction of the transported object, wholly or partially, or its deterioration, providing the compensation agreed

upon shall not be less than one third of the value of the goods transported from the place and time of their transport. All agreement on compensation less than that limit shall be increased to that limit.

B. Exempting him wholly or partially from the liability for the non- physical harms attaining the passenger.

C. Exempting him wholly or partially from the liability for delay.

2. The condition for exemption from or determination of the liability shall be in writing, otherwise it shall be considered as null and void. If the commission agency for transport contract is drawn up on printed forms, the condition shall be vivid and written in a way drawing the attention; otherwise, the court may consider it as null and void.

Article 281: The principal and the carrier may have remedy direct over each other for claiming the rights resulting from the transporting contract. Also, the passenger or the consignee and the carrier may have remedy direct over each other in claiming the said rights. In all cases, the commission agency for transport shall be involved in the case.

Article 282: If the commission agent pays the transport fare/charges to the carrier then, he shall replace him in all rights payable thereto.

Article 283: The provisions prescribed in articles 254 and 272 of this law shall apply to the prescription of court actions ensuing from the commission agency for transport contract.

Division — 4

Special Provisions On Air Transport

Article 284:1. Air transport in this Division shall mean the transport of persons or luggage or goods by planes for profit making.

2. Luggage shall mean the objects the traveler may carry with him on the plane, and which are delivered to the carrier to keep in his watch during the travel. The expression shall not comprise small and personal objects the traveler keeps in custody during the travel.

Article 285:1-The provisions of international conventions in force in Egypt shall apply to international air transport.

2-The provisions of this branch and the special provisions prescribed in the following articles shall apply to inland air transport.

3-Air transport shall be inland transport if the two points determined in the agreement of the contracting parties for departure and arrival lie in Egypt, even if the plane is continuing its trip after departing the arrival point beyond the Egyptian territorial borders.

Article 286-1: The air consignment note shall comprise a statement that the

transport is carried out according to the provisions of limited responsibility prescribed in article 292 of this Law, otherwise the carrier shall not insist on these provisions.

2. The air carrier shall ascertain the travelers on the plane and the goods transported on it, or those the traveler's keep in their custody during the travel fulfill the conditions necessary for boarding the plane, prescribed in the law and the transport regulations.

Article 287: The air carrier shall be accountable for the harm occurring in case of the traveler's death or injury, wounds or any other physical harm if the accident which caused the harm occurs during the traveler's existence in the custody of the carrier or his subordinates within the airport. of departure, or on the plane, inside the arrival airport, or in any other airport or place at which the plane lands voluntarily or in emergency cases.

Article 288-1: The air carrier shall be accountable for the harm occurring in case of destruction of the luggage and goods or their deterioration if the accident which led to the harm occurs during air transport.

2-The air transport shall comprise the period in which the luggage or the goods are in the custody of the carrier or his subordinates inside the departure airport, and during the air travel, and inside the arrival airport, and at any other airport or place at which the plane lands voluntarily or in emergency cases

3-The air transport shall not comprise the period during which the luggage or goods are on land, sea, or river transport outside the airport, unless that transport is necessary for shipping the luggage or goods, delivering them, or transferring them from one plane to another, in implementation of the air transport contract.

Article 289:1- The air carrier shall be accountable for the harm resulting from the delay in arrival of the passenger, luggage or goods.

2.The luggage or goods which the carrier does not deliver to the consignee, or the carrier notifies the consignee to attend (to receiving the goods within thirty days from the expiry of the period spent by the ordinary air carrier in transporting the goods if he is found in the same conditions, shall be considered as practically destroyed luggage or goods.

Article 290:1-The air carrier may not disavow his responsibility except by establishing the force majeure, inherent flaw in the object, or the error of the consignor, consignee, or passenger.

2-If the air carrier establishes one of the cases mentioned in the previous clause, the claimant may negate this established evidence by *proving* that the harm did not ensue from that cause, or that it was not the only cause for the harm, in the latter case, the compensation shall be reduced in proportion of the harm attributed to the condition established by the air carrier.

Article 291: The air carrier shall not be accountable for the small or personal objects which are kept in the custody of the passenger during the travel, unless the passenger establishes the issue of an error on the part of the carrier or his subordinates.

Article 292:1- In case of air transport of persons, the compensation to be ruled for payment by the air carrier shall not exceed one hundred and fifty thousand Egyptian pounds, for each traveler, unless an express agreement is reached on exceeding that amount.

2-In case of transporting luggage or goods, the compensation shall not exceed fifty Egyptian pounds on each kilogram. However, if the consignor, in delivering the luggage or goods to the carrier, announces that he attaches a special importance to delivering them at the place of arrival in view of their value, and pays the additional charge demanded by the carrier for it, the carrier shall pay the compensation according to the value announced by the consignor, unless the carrier establishes that it exceeds the real value of the transported object.

3. As for the small or personal objects remaining in the traveler's Custody during the travel, the compensation to be ruled for each traveler in respect of these objects shall not exceed live hundred pounds.

4. the air carrier shall not insist on determining the responsibility prescribed in this article, if it is established that the harm resulted from the act or refrain

of the carrier, his subordinates, or his agents, while performing their work with the aim, of causing harm, or with indiscretion coupled with awareness of possible occurrence of the harm.

Article 293: 1. If an action for compensation is lodged against a subordinate or an agent of the carrier, he may insist on determining the responsibility prescribed in article 292 of this law, if it is established that the act causing the harm occurred while performing his duties.

2. The subordinate or agent of the carrier may not insist on determining his responsibility if it is established that the harm was caused by an act or refrain on his part while performing his duty with the aim of causing harm, or with indiscretion coupled with awareness of possible Occurrence of the harm.

3. The total amount obtained by the claimant of the compensation from the carrier, his subordinates, or his agents, shall not exceed the limits prescribed in article 292 of this law.

Article 294:1- All condition providing for exemption of the air carrier from the responsibility or for determining it at less than the limits prescribed in article 292 of this law shall be null and void.

2- All condition that is liable to oblige the traveler or the consignee to pay all

or some of the air carrier's liability insurance expenses, and all condition by virtue of which the traveler or the consignee assigns to the carrier his rights in transport risks insurance shall be considered practically congruent to exemption from the responsibility.

Article 295: Receiving the luggage or goods without reservation shall extinguish the right of remedy against the carrier due to the partial destruction or deterioration, unless the traveler or the consignee records the condition of the luggage or goods and lodges the case within ninety days from the date of their delivery. The provisions prescribed in the second and third clauses of article 251 of this law shall apply in this respect.

Article 296-1. All court actions resulting from the air transporting Con. tract and in which the merits constitute a claim for compensation against the carrier for the destruction or deterioration of the luggage and goods shall prescribe with the lapse of one year. This period shall apply in cash of partial destruction or deterioration from the date of delivering the transported object according to the first clause of article 254 of this law. In case of total destruction, it shall apply from the expiry date of the period prescribed in the second clause of article 289 of this law.

2. All court action resulting from the air transport contract in which the merits constitute a claim for compensation against the carrier due to the travelers decease or physical harm, shall prescribe with the lapse of two years. This period shall, in the death case, apply from the date of its

occurrence, and in the physical injury case from the date the accident takes place.

3. All other court actions resulting from the air transport contract shall prescribe with the lapse of one year. This period shall apply from the date determined for arrival of the plane to destination. In case the arrival date is not defined, the prescription period shall apply from the time the ordinary air carrier takes if found in the same conditions.

4. The carrier from whom or from whose subordinates or agents fraud or serious error emanated shall not insist on the limitation period prescribed in the foregoing three clauses of this article.

Article 297: 1-. If agreement is reached on free transport, the air carrier shall not be accountable, unless the compensation claimant establishes that the harm emanated from an error of the carrier or from a subordinate or an agent thereof. In this case, the air carrier or his subordinates or agents may insist on determining the responsibility according to article 292 of this law.

2. Transport shall be free if it is made without charge and the carrier is not using transport as his profession. If he is using it as a profession, transport shall not be considered free even if it is made without a charge.

Article 298: The responsibility of the air carrier shall be within the limits prescribed in article 292 of this law, whatever the legal ground on which the

liability action is based, and whatever the quality of the litigants in it, or their number or the amount of compensations they claim

Article 299: 1 The aircraft pilot shall have authority over all persons existing on board.

2. he shall have the power to send out any person or object representing a danger to the *safety*, or disturbance of order On the plane.

3. In the course of the *flight*, he shall have the authority to drop from the plane, if necessary, the objects loaded on it, or some of them or its fuel, providing he shall notify his decision to the plane investor at the earliest possible time. He shall begin with throwing out objects of small value whenever possible.

4. The carrier shall be accountable for the destruction of the objects the pilot decides to throw out for the safety of the plane.

PART II

BANKING TRANSACTION

Article 300: Subject to the provisions of the third clause of article 361 of this law, the provisions of this part shall apply to the transactions the banks conclude with its customers, whether or not they are traders, and whatever the nature of these transaction.

1- Money Deposit

Article 301: The money deposit is a contract whereby the bank is authorized to possess the money deposited therewith and to dispose thereof consistently with its activities, along with its commitment to refund its equivalent to the depositor according to the contract condition.

Article 302: The bank shall establish an account for the depositor in which shall be recorded all transaction taking place between the bank and the depositor or the bank and the third parties for the account of the depositor.

Article 303:1- The money deposit contract shall not result in the right of the depositor to withdraw amount from the deposit account if it does not show a credit balance.

2- If the bank carries out transactions for the account of the depositor

resulting in turning his deposit into a debit account, the bank shall notify the depositor forthwith to adjust his situation

Article 304:1- The bank shall send to the depositor a statement of the account at least once every year, unless agreement or usage and bank practices provide for sending the statement more than once during the year. The statement shall comprise a copy of the account after the last negotiation/discount and the balance carried forward.

2- No request for correcting the account shall be accepted even if it is based on error, omission, or duplication, in respect of entries made more than three years back, unless the depositor advises the bank during this period of having received no statement of his account according to the situations mentioned in the previous clause.

Article 305:1- The deposit shall be repaid upon demand unless otherwise agreed upon. The depositor shall have the right to dispose of his credit balance or of part thereof, unless using this right is made conditional upon a prior notice or the maturity date of the deposit

2- if the depositor dies the deposit shall continue to exist according to the contract conditions unless the successors demand recovering it before its maturity date.

Article 306: Dealing shall be with the branch of the bank where the account is opened, unless otherwise agreed upon.

Article 307: In case the depositor has several accounts in the same bank or in its branches, each of these accounts shall be considered independent and separate from the other accounts.

Article 308:1- The bank may open a joint account between two or more persons, equally between them, unless otherwise agreed upon.

2- The joint account shall be opened upon the request of all its owners. Drawing from this account shall not take place except with the approval of all of them, unless otherwise agreed upon.

3- If one of the joint account owners notifies the bank in writing of a difference existing between them, the bank shall freeze the account until the difference is settled between them consensually or juridical.

4- If an attachment is levied on the account of one of the joint account owners, the attachment shall apply to the share of the person under attachment, in the joint account on the day the bank is notified of the attachment. The bank shall suspend withdrawing from the joint account within the limits of the attached share and notify the account owners or their

representative of the said attachment within a period not exceeding five days.

5- If one of the joint account owners dies, or loses his legal capacity, the rest of owners shall notify the bank thereof and of their wish to Continue the account, within a period not exceeding ten days from the date of the decease or loss of the legal capacity. The bank shall suspend withdrawing from the joint account pending determination of the successors or appointment of the guardian on the person who lost his legal capacity.

Article 309:1- If the bank issues a savings passbook, it shall state on the name of the person in whose favor it is issued and record in it the payments and withdrawals, the data in the passbook as signed by the bank's employee shall be a proof confirming these data in the bank's relation with the person in whose favor the passbook was issued.

2- A savings passbook may be issued in the name of an underage person. The minor and any other person shall have the right to deposit in this passbook. The underage person shall not have the right to withdraw from it except according to the provisions prescribed in the law,

2- Deposit of Debentures

Article 310: The bank shall not use the rights resulting from the debentures deposited with it unless otherwise agreed upon.

Article 311: 1- The bank shall exert in preserving the debentures deposited with it; the same care as exerted by a paid depositary and no agreement shall be reached otherwise.

2- The bank shall not abandon its possession of the deposited debentures except for a demanding reason.

Article 312:1- The bank shall collect the yield of the debenture, or its profits and value if it matures, or is amortized, and also all other amount payable because of the debenture unless otherwise agreed upon. These amounts shall be entered in the depositor's account.

2- The bank shall carry out all transactions necessary to preserve the rights connected with the debenture as granted to it free of charge, such as presenting it for replacement, stamping it with the seals, or adding fresh interest coupons to it.

Article 313: The bank shall notify the depositor of all matters or right connected with the debenture and necessitating the depositor's approval, or depending on his choice. If the depositor's instructions are not received in

due course, the bank shall act in respect of that right in the interest of the depositor. The depositor shall sustain the expenses in addition to the ordinary commission.

Article 314:1- The bank shall reconstitute the deposited debentures upon the demand of the depositor, subject to the time necessary for preparing the debentures for restitution.

2- Returning the debentures shall be at the place where they are deposited. [The bank shall return the debentures themselves unless agreement is reached or the law provides for returning debentures of the same kind or other debentures.

Article 315: 1- Restituting the debenture shall be to its depositor or the successors thereof, or to those appointed by these persons, even if it comprises an indication of being owned by a third party.

2- If a person claims that the deposited debenture is payable to him, the bank shall notify the depositor forthwith and refrain from returning the debenture to him until the dispute in respect of it is settled consensually or juridical. The party claiming that the debenture is due to him shall lodge his court action within thirty days from the date of his claim, otherwise the claim shall be considered as null and void.

3- Letting Of Safes

Article 316: Letting safes is a contract by virtue of which a bank undertakes in return for rental fee to place a specific safe at the disposal of the lessee to and utilize by it for a determined period.

Article 317: 1-The key to the safe shall be handed to the lessee, and the bank shall keep another key. With the exception of the lessee and the bank, no duplicate key to safe shall be handed to any other person.

2- The key handed to the lessee shall remain the bank's property and shall be returned to it at the end of the lease.

3- The bank shall not permit anyone other than the lessee or his special proxy to use the safe.

Article 318:1- The bank shall take necessary arrangement to secure safety the safe and preserve its contents.

2- The lessee shall not put in the safe objects threatening its safety or the safety of the location in which it is placed.

3- If the safe becomes danger-threatened, or it transpires that it contains dangerous objects, the bank shall notify the lessee immediately to attend and vacate its contents, or withdraw the dangerous objects therefrom. If the

lessee fails to attend at the time defined therefor, the bank may ask the competent judge to issue a court writ on memorandum allowing the bank to open the safe and empty it of its contents or withdraw the dangerous objects therefrom in the presence of an appointee designated by the judge for the purpose. A report on the case shall be drawn up, in which the contents of the safe shall be listed. If the danger is impending, the bank may, on its responsibility, open the safe and vacate its contents, or withdraw the dangerous objects therefrom, without notice or permission from the judge.

Article 319:1- If the lessee does not pay the rent of the safe at its due dates the bank, *after* the lapse of thirty days from notifying the lessee to pay consider the contract as terminated spontaneously, and recover the Safe after notifying the lessee to attend to open it and vacate its Contents.

2- if the lessee does not attend at the date determined thereof, the bank may request the competent judge a court writ on memorandum permitting the bank to open the safe, and vacate its contents in the presence of an appointee designated by the judge to issue for the purpose. A report shall be drawn up on the case, in which the contents of the safe shall be listed. The judge may also order depositing the contents with the bank or with a trustee to be designated thereby for that purpose.

Article 320: The bank shall have the right to withhold the contents of the safe. it shall also have a lien right on the price accruing from their sale for payment of the rent and expenses due to the bank

Article 321:1-The protective or executive attachment may be levied on the safe.

2- The attachment is levied by notifying to the bank the contents of the document by the virtue of which the attachment shall take place. The bank shall also be charged to report whether it was renting a safe to the debtor attached. The bank, upon receiving the notification shall advise the lessee forthwith of levying the attachment and prevent him from using the safe

3- If it is a protective attachment, the lessee may request the competent judge to issue a court writ on memorandum authorizing him to withdraw some of the safe contents in the presence of trustee delegated by the judge. –

4- If it is an executive attachment, the bank shall open up the safe and vacate its contents in the presence of the distrainer, or the delegate assigned by the judge for the purpose. The lessee shall be informed of the date defined for opening up the safe and undertaking the inventory of its contents. These contents shall be handed to the bank or a trustee to be appointed by the judge of the execution, until selling them according to the provisions prescribed in the civil and commercial procedure law.

5- If there are papers and documents forming no part of the sale, they shall be handed to the lessee. If he is not attending at the time the safe is opened up, they shall be handed to the bank to safe keep them until the lessee or his successors fail to attend to receive the papers or documents referred to

hereinbefore, within five years, the bank shall have the right to raise the issue to the Judge of Summary Action to determine whatever he chooses in their respect.

.article 322: Notifying the safe lessee shall be valid notification is addressed to him at the last domicile he the bank.

Article 323: With the exception of the cases prescribed in the law the bank shall not open up the safe or vacate its content except with permission from the lessee or in his presence, or e implementation of a court judgment, or a court writ issued by the competent judge or the public prosecution.

4- pawning Of Securities

Article 324: The rules on commercial pawning and the following provisions shall apply to securities pawning.

Article 325:1- If the Pawnee is holding the pawned document for another reason prior to the pawn, he shall be considered possessor thereof in his quality of Pawnee once the pawn is established formed.

2. The third party who is appointed by the two contracting parties to hold the pawned securities shall be considered relinquishing all rights he has to

withhold them for a reason prior to the pawn unless he has reserved that the right on accepting to hold the pawned securities for account of the pawnee.

Article 326: If the pawned securities are submitted by other than the debtor, their owner shall not be committed to settle the debt guaranteed by the pawn except in his quality of in kind guarantor.

Article 327: If the value of the pawned security had not been paid in full at the time it was submitted for pawning, the debtor — if asked to settle the unpaid portion of its value — shall submit to the pawnee the necessary money in settlement of that portion at least two days before its maturity, otherwise the pawnee may demand selling the security by following the procedures prescribed in article 126 of this law, then settle the unpaid portion of the value of the security from the price accruing from the sale, and the pawn shall then be transferred to the remaining of the price.

Article 328: The lien right of the Pawnee shall continue to exist with its degree between the contracting parties and vis-à-vis the third party, on the yield of the pawned security and its auxiliaries as well as its value upon its authorization, and also the securities substituting it.

5- Bank Transfer

Article 329:1- A bank transfer is a transaction by virtue of which the bank posts a specific amount on the debit side of the account Upon a written order

from the remitter, and on the credit side of another account. With this operation the following transaction may be carried out.

A. Transferring a specific amount from one person to another, each of them having an account with the same bank, or with two different banks.

B. Transferring a specific amount from an account to another both opened in the name of remitter with the same bank, or with t, different banks.

2- The agreement between the bank and the remitter organizes the condition for issuing the order. However, transfer order shall not be to bearer.

3- Agreement may be reached that the beneficiary submit by himself the transfer order to the bank instead of giving the transfer instructions to the bank by the remitter.

Article 330: If the bank transfer takes place between two branches of the bank or two different banks, any objection issued from a third party concerning this transfer shall be submitted to the branch or the bank in which the beneficiary's account is opened. –

Article 331: The transfer order may involve amounts actually inscribed in the account of remitter, or amount he agrees with the bank to enter in his account during a specific period.

Article 332:1- The beneficiary shall own the amount subject of the bank transfer from the time it is posted on the credit side of his account. The remitter may cancel his transfer order until the said entry is posted.

2- If agreement is reached that the beneficiary shall himself present the transfer order to the bank, the remitter may not then o back on the order subject to the provision of Article 337 of this law

Article 333: The debt, in settlement of which the transfer order is issued, shall continue to exist with its guarantees and auxiliaries, until the amount is actually posted on the credit side of the beneficiary's account.

Article 334: Agreement may be reached on deferring the implementation of the transfer orders issued by the remitter submitted direct by the beneficiary to the end of the day in order to implement them with other orders of their kind as issued on the same day.

Article 335: 1- If the amount available in the account to honour the transfer order is less than the amount mentioned in that order, and the order is addressed by the remitter, the bank may refuse implementing the order, providing it shall notify the remitter of this decision Without delay.

2- If the transfer order is submitted direct by the beneficiary, the bank shall enter to his credit the short difference unless the beneficiary refuses doing that. The bank shall mark its annotation on the transfer order as entering the short difference or as being refused by the beneficiary to enter it.

3- The remitter shall have the right to dispose of the short difference if the bank refuse implementing the order or the beneficiary refuses to post the short difference for his account.

Article 336: If the bank does not execute the transfer order on the first duty day following the day the order was submitted, the order within the limit of the unimplemented transfer order shall be added to the orders submitted on the following days during that period.

Article 337:1- If the beneficiary is declared bankrupt, the Remitter may object to the implementation of the transfer order, even if the beneficiary has received it by himself.

2- Declaring the bankruptcy of the remitter shall not prevent implementing the transfer orders issued thereby if they were submitted to the bank before the date of issuing the ruling concerning the declaration of bankruptcy.

6- Ordinary Bank Credit

Article 338:1- The ordinary bank credit is a contract by virtue of which the bank places at the disposal of the beneficiary means of payment within the limits of a specified amount.

2.The credit shall be opened for a specified or unspecified period

Article 339:1- If the credit is opened for a non specific period the bank may cancel it at any time, providing the beneficiary shall notified ten days at least before the date the bank defines for revoking the credit, unless otherwise agreed upon.

2- In all cases, the credit opened for an unspecific period shall be considered cancelled with the lapse of six months from the date the beneficiary is notified of its opening without using it.

Article 340: If the credit is opened for a specific period, the bank shall not revoke it before the Lapse of this period except in the case of the beneficiary's death or being interdicted him, or discounting his payments, even if no court judgment was issued declaring him bankrupt, or in case a serious error is issued from him in using the credit

7- Documentary Credit

Article 341:1-The documentary credit is a contract by virtue of which the bank undertakes to open a credit upon the request of one of his clients (called 'the remitter') in favour of another person (called 'the beneficiary'), guaranteed by documents representing transported goods or goods prepared for transport.

2- The documentary credit contract is separate from the contract because of which the credit was opened. The bank shall remain alien to that contract.

3- The rules prescribed in bank usage and practices standardizing the documentary credits issued from the International Chamber Of Commerce shall apply where no special text in this division is prescribed in respect thereof.

Article 342: The bank opening the credit shall implement the conditions of fulfillment, bank acceptance and discount, as agreed upon in the credit opening contract, of the documents are conforming to the credit opening conditions.

Article 343:1-The documentary credit may be revocable or firm and irrevocable.

2- The credit shall be irrevocable 'unless it is explicitly agreed on its

irrevocability.

Article 344: No obligation on the bank toward the beneficiary shall result from the revocable documentary credit. The bank may at any time modify or revoke it of its own, or upon the request of the remitter without need for notifying the beneficiary unless it has been implemented.

Article 345:1- The bank's obligation in case of the firm documentary credit shall be absolute and direct vis-à-vis the beneficiary, and all bona fide holder of the debenture withdrawn in implementation of the contract for which the credit was open.

2- The firm documentary credit may not be revoked or modified except with the consent of all concerned parties.

Article 346:1-The firm documentary credit may be confirmed by another bank committed in its turn, definitively direct vis-a-vis the beneficiary.

2- The mere notification of opening the firm documentary credit, which is sent to the beneficiary via another bank shall not be considered a confirmation of the credit by this bank.

Article 341:1- The bank shall ascertain the conformity of the documents to the instructions of the remitter for opening the credit.

2- If the bank refuses the documents, it shall inform the remitter immediately of its refusal along with indicating its reasons.

Article 348:1-No responsibility shall be on the bank if the documents are in their appearance conforming to the instructions it received from the remitter.

2- The bank shall not bear any obligation concerning the goods for which the credit was opened.

Article 349: The documentary credit, shall not be transferred or divided unless the bank opening it is permitted to transfer the whole or part of it to a person or a group of persons other than the first beneficiary upon instructions issued from the beneficiary. The transfer shall not take place unless the bank approves it. The transfer shall take place only once, unless otherwise agreed upon.

Article 350: If the remitter does not pay to the bank the value of the documents conforming to the credit opening conditions within six months from the date he is notified or receiving these documents, the bank may levy execution on the goods by following the procedures of levying execution on commercially pawned objects.

8- Discount

Article 351:1 Discount is an agreement by which the bank undertakes to pay in advance the value of negotiable beneficiary of the debenture in return for transferring the bank, along with the beneficiary's commitment to refund the nominal value to the bank if the original debtor does not pay it.

2- The bank shall deduct from the discount it pays to the beneficiary a percentage of the debenture amount, in addition to the commission if it is stipulated.

Article 352: The percentage shall be calculated on the basis of the period from the date of discount until the maturity date of the debenture, or on the basis of a longer period with regard to pawning transactions and other transactions that comprise an undertaking from the beneficiary to refund the amounts he collected before the maturity date of the debenture.

Article 353: The beneficiary shall refund to the bank the nominal value of the unpaid debenture.

Article 354:1- The bank shall have all rights resulting from the debenture discounted thereby vis-à-vis the original debtor of the debenture, the beneficiary, and other committed parties.

2- The bank shall in addition have an independent right vis – a- vis the beneficiary in retrieving the amounts it paid without deducting the percentage it discounted and the commission it collected. It shall have the choice of using this right within the limits of the unpaid debentures whatever the reason of refraining from their payment.

9-Letter Of Guarantee.

Article 355:1- The letter of guarantee is a written undertaking from the bank upon the request of a person called (the remitter) to pay an amount, specified or liable to be specified, to another person (the beneficiary), if he asks the bank to do so, within the period determine in the letter, and without reckoning to any objection

2- The rules and practices prevailing in international dealings_transactions concerning the letter of guarantee shall apply where no text or usage is prescribed in this division.

Article 356; The bank may require a. deposit against Issuing the of guarantee. This deposit shall be cash. in debenture goods assigning the remitter’s right vis-à.—vis the beneficiary.

Article 357: The beneficiary shall not assign his right as prescribed in the letter of guarantee except with the approval of the bank, and providing the bank shall be authorized by the remitter to give this approval.

Article 358: The bank shall not refrain from paying the beneficiary for a reason ascribed to the bank's relation with the remitter or the remitter's relation with the beneficiary.

Article 359:1- The bank shall be relieved of its liability vis-à-vis the beneficiary if no request for payment reaches it from the beneficiary within the validity period of the letter of guarantee, unless it is agreed explicitly on renewing this period automatically, or the bank agrees to its extension.

2- The bank shall restore to the remitter at the end of the validity period of the letter of guarantee the deposit he gave the bank to obtain this letter of guarantee.

Article 360: If the bank pays to the beneficiary the amount agreed upon in the letter of guarantee, it may have recourse against the remitter for the amount paid and its yield from the date of its payment.

10- Current Account

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Article 361:1- The current account is a contract by virtue of which two parties agree on positing in an account through mutual payments of interviewed debts resulting from transactions taking place between them so

that rather than settling these debts respectively they settle them by a single adjustment of the account on closing it.

2- The agreement providing for not beginning the payment of one party except after ending the payment of the other party shall not be considered a current account.

3- The provisions of this division shall apply to each current account, even if one of the two is not a bank.

4- The provisions prescribed in article 308 of this law shall apply to the joint current account opened with the bank.

Article 362:1- The entries posted in the current account shall not be divisible before closing and balancing the account.

2- No clearance shall be applicable between an item in an account and another item in the same account.

Article 363: Posting the debt in the current account shall not prevent the rights connected with the transaction creating that debt.

Article 364: If the entry in the current account is extinguished or its amount is reduced for a reason subsequent to posting it in the account, this entry shall be cancelled or reduced, and the account shall be adjusted accordingly.

Article 365: The current account may be suspended temporarily during its course to indicate the situation of either party, at the dates the two parties agree upon, or as determined by the law. Either party shall have the right to dispose of its credit balance as displayed on suspending the account temporarily, at any time, unless otherwise agreed upon.

Article 366:1- Payment in the current account shall not produce an interest/yield unless otherwise agreed upon. The interest shall be calculated according to the rate the Central Bank deals in, at its maturity, unless a lower interest is agreed upon.

2- No interest on the interests shall be calculated unless the account is a current account between a bank and other person.

Article 367:1- In the current account all debts resulting from business relations taking place between the two parties to the account shall be entered, unless these debts are accompanied with legal or consensual security deposit.

2- However, debts accompanied with consensual security deposit, whether such deposits are determined by the debtor or a third party, may be entered

in the current account, if all concerned parties agree thereon. In this case, the security deposit shall move to guarantee the balance of the current account on closing it, within the limits of the guaranteed debt, without consideration to the changes occurring in the account during its operation, unless otherwise agreed upon. The transfer of the security deposit to the current account shall not be considered as proof vis-à-vis their parties except from the date of its declaration in case the law necessitates declaring it.

Article 368:1- If the account items comprise cash debts rated in different currencies, or valuable objects, the two parties may agree on entering them in the account providing they shall be recorded in separate sections where analogy is observed in the payments within these sections, and the two parties authorize the maintenance of the unit of the account despite its multiple sections.

2- The balances of the separate section accounts shall be transferable between them so that a *set-off* may be carried out between them to extract single balance at the time the two parties determine, or at most on closing the account.

Article 369:1- *If* a period is determined for the current account it shall be closed at its expiry. It may also be closed before the expiry date with the consent of the *two* parties.

2- If no period is determine for the current account it may be closed at any

time as desired by either party, subject to the notification dates agreed upon, or as applied in practice and usage.

3- In all cases the current account shall be closed with the decease of either party, declaring his bankruptcy or insolvency, or in placing him under interdiction.

Article 370: The current account shall be balanced upon closing it. The debt of the balance shall mature unless otherwise agreed upon, or if certain transactions that should be recorded in the account are still current and posting them is liable to change the amount of the balance. In this case, the debt of the balance matures effective the day following the last entry these transactions necessitate.

Article 371: If the current amount is opened between the bank and another party, the account shall be considered discounted at the end of the financial year of the bank, discounting this account shall not be considered as closing it, but it shall remain opened and its balance shall be carried forward to the same account that resumes its movement on the day next to discounting it.

Article 372: The general rules shall apply to an the prescription of the debt of the balance and its interest. The interest on that debt shall be calculated from the date of closing the account, unless otherwise agreed upon.

Article 373: The creditor of a party to account may, in the course of the account, levy an attachment on the credit balance of its debtor. In this case the party with whom the account is opened shall effect a temporary balance of the account to disclose the situation of the person placed under attachment at the time of levying the distraint.

Article 374: If either party to the current account is declared bankrupt, no pawn to be imposed on his funds and property after the date determined by the court shall be used as argument against the group of creditors in his bankruptcy, to discontinue the payments that should guarantee the possible debt of the balance, within the limits of the debit balance at the time of determine the pawn. The pawn may be used as argument in respect of the difference — if any — between the amount of that balance and the balance showing at the time of closing the account, unless *it* is established that the creditor, at the time of imposing the pawn, was aware that the debtor has discontinued the payment.

Article 375:1- *If* the proceeds of discounting a commercial paper is posted in the current account, and its value was not paid at the maturity date, the party that discounted the paper may, even after declaration of the bankruptcy of the person who submitted it for discount, cancel the entry by effecting a counter-entry.

2- No counter-entry shall be made in connection with the commercial papers

unless the value was not paid at their maturity date. All agreement otherwise reached shall be null and void.

Article 376:1- A court action for correeting the current account shall not be accepted even if the request is based on an error or omission, or duplicate entries, concerning the entries made more than three years before, unless either party to the account notifies the other party, during that period, of is insistence on correcting the account, or if in the case of the accounts with the bank when it is established that the client not has received from the bank any statement of his account, during the said period.

2- In all cases, the court action shall abate with the lapse of five years from the day the right to correct the account is established.

Article 377: If the current account is opened with a bank, the bank may not give information or data on the number of the account, its movement, or its balance, except to the owner of the account, his special proxy, his successors, or the legatees after his death, or according to the provisions of law no. 205 of the year 1990 on the and confidentiality of accounts.

PART- IV

COMMERCIAL PAPERS

Article 378:The provisions of this part shall apply to drafts promissory

notes, checks and other commercial papers whatever the quality of the concerned parties, or the nature of Works for which they are created.

Chapter—i

DRAFTS

1- ISSUE OF DRAFTS

Article379: The draft shall comprise the following data:

A. The term ‘draft’ written in the body of the debenture and the language used in writing the debenture.

B. An unconditioned order to settle a defined amount of money.

C. Name of the party committed to pay.

D.. Maturity date.

E. Place of payment.

F. Name of the party to whom or to whose order the payment shall be made (the beneficiary).

G. Date and place of issuing the draft.

H. Signature of the party issuing the draft (drawer) legibly written.

Article 380 : A debenture empty of one of the data mentioned in article 379 of this law shall not be considered a draft except in the following cases:

A. the draft which indicates no maturity date shall be considered payable at sight.

B. If it does not indicate the place of settlement, the place next to the name of the drawee shall be the place of settlement, and a domicile of the drawee at the same time.

C. If it does not mention the place of issue, it shall be considered as issued at the place mentioned next to the signature of the drawer.

Article 381: 1-The draft may be drawn to order of the drawer himself.

2-It may be drawn on the drawer.

3-It may be drawn for the account of another person.

Article 382: The draft may be payable at the domicile of a third party, whether in the location of the drawee's domicile or in any other place.

Article 383:1- The drawer of the payable draft which falls due at sight or payable at a specified time after sight may stipulate a separate interest on the amount mentioned in it.

2- This condition in other drafts shall be considered as null and nonexistent

3- The interest in the draft shall be mentioned. If it does not indicate the interest, this condition shall be considered as non-existent

4- The interest shall be calculated from the date of issuing the draft, if date agreed upon.

Article 384:1- The draft amount is written in figures and in words, the criterion in case of difference shall be the one written in words.

2- If the amount is written several times in words or in figures, the criterion in case of difference shall be that of the least amount

Article 385: The obligations of those lacking legal capacity who are not

traders and the legally incapacitated, resulting from their signatures on draft as drawers, acceptors, alternative guarantors, or any other quality shall be null in their respect solely.

Article 386: If the draft carries signatures of persons lacking the legal capacity of commitment thereto, or phony signatures, signatures of bogus persons, or signatures which, for other reasons, are non committing for their signatories, or for those in whose names the draft was signed, the obligations of the other signatories of the draft shall still remain valid.

Article 387:1- The form of the obligations by virtue of the draft shall be subject to the law of the state in which it was issued.

2- However, if the obligation is not valid in form, under the law referred to in the previous clause, but valid according to the provisions of the Egyptian law, the flaw in its form shall have no effect on the validity of the subsequent obligations arising in Egypt by virtue of the draft.

Article 388:1- In determining the legal capacity of the person who is committed by virtue of the draft, reference shall be made to the law of the State to which he belongs.

2- if the law applicable hereto considers the person committed by virtue of

the draft lacking legal capacity, his commitment shall remain valid if he has signed the draft in a state whose law considers him of full legal capacity.

Article 389:1- A person who signs a draft on behalf of another person without mandate from the latter shall be committed personally by virtue of the draft. If he settles it, all rights that would devolve to the person he alleged to sign on his behalf shall devolve to the signatory.

2- This provision shall apply to the proxy if he exceeds the limits of his powers.

Article 390:1- The drawer of the draft shall guarantee its acceptance and settlement.

2- He may stipulate exempting him from the acceptance guarantee, and all condition for his exemption from the settlement guarantee shall be null and non-existent

2- ENDORSEMENT

Article 391:1- All draft that it is drawn to order shall be negotiable by endorsement even if nothing is stated on it.

2- A draft in which the drawer adds the statement “not to order” or any other statement indicating this meaning, shall not be negotiable except by following the procedures of the transference of debts as prescribed in the civil Code, in addition to the result ensuing therefrom.

3- Endorsement may be made to the drawee whether or not he accepts the draft. It may also be made to the drawer or any other committed party. All these may also endorse the draft anew.

Article 392:1- The endorsement shall be unconditional. All condition whereupon the endorsement is dependent shall be considered null and non-existent.

2- Partial endorsement shall be null and void.

3. Endorsement to bearer shall be considered made in blank.

Article 393: — 1- The endorsement shall be written on the draft itself or on a paper attached thereto “allonge” and shall be signed by the endorser.

2- In the endorsement the name of the endorsee may not be mentioned i may also be restricted to the signature of the endorser (endorsing in blank). In the

latter case, the endorsement, to be valid, shall be written the back of the draft, or on the allonge.

Article 394:1- The endorsement shall transfer all rights resulting from the draft.

2- If the endorsement is made in blank, the bearer may:

A: Fill in the blank space by writing his name or the name of the another person.

B. Endorse the draft anew in blank or to another person.

C. Hand the draft to another person without filling in the blank soace even if he does not endorse it.

Article 395: 1- The endorser shall guarantee the acceptance and settlement of the draft, unless otherwise stipulated.

2- He may prohibit endorsing it anew. In the latter case he shall not committed to ensure the guarantee vis-à-vis the person to whom the draft shall devolve by subsequent endorsement.

Article 396:1- The possessor of the draft shall be its legal bearer if he

establishes that he owns the right to it by a series of un interrupted endorsements, even if the last endorsement is in blank. Cancelled endorsement in this respect shall be considered as null and non-existent. If the endorsement in blank is followed by another endorsement. The signatory of this endorsement shall be considered the party to whom the right to the draft devolves by the endorsement in blank.

2.If a person loses his possession of the draft, the bearer shall not be compelled to give it up if he establishes the right to it according to the previous clause, unless he had obtained it by ill-will, or committed a serious error in order to obtain it

Article 397: Subject to the provisions of article 385 of this law, a party against whom a court action for a draft is brought can invoke against its bearer the rebuttals based on this personal relationships with its drawer or previous bearers, unless the intention of the bearer at the time to obtained the draft was to cause harm to the debtor.

Article 398:1- If the endorsement comprises the statement “value for recovery” or “value for collection”, or for “proxy” or any other statement indicating the sense of “proxy”, the bearer may use all the rights resulting from the draft, but he cannot endorse it except in his capacity as “proxy”

2- The obligors in this case shall not invoke against the bearer except the rebuttals that may be used against the endorser.

3- The proxy comprised in the endorsement shall not expire with the decease or interdiction of the principal.

Article 399: 1- If the endorsement comprises the statement “value of guarantee” or “value of pawn”, or any other statement indicating the sense of “pawn”, the bearer may use all the rights resulting from the draft. However, if he shall endorse the draft, the endorsement, shall be considered made for the purpose of proxy.

2- The draft obligors shall not use against the bearer the pleas based on their personal relationships with an endorser, unless the bearer’s intention on obtaining the draft was to cause harm to the debtor. Protecting the bearer in this case shall be within the limits of his pawn-guarantee debt.

Article 400: 1- The endorsement subsequent to the maturity date shall produce the effects of the endorsement preceding it. But, the endorsement subsequent to protesting against the failure to honour the draft shall not produce except the effects of the transference of debt.

2- An endorsement without date shall be supposed to have taken place

before the lapse of the date determined for invoking -the protest, unless otherwise established.

3- CONCURRENT CONSIDERATION

Article 401: The drawer of the draft or the party in whose favour it was drawn shall keep with drawee a concurrent consideration (for its settlement). The drawer for account of a third party shall be accountable, before the endorsers and the bearer of the draft exclusively, for providing the concurrent consideration

Article 402: The concurrent consideration shall be considered duly provided if the drawee is debtor to the drawer or the draft drawing orderer at its maturity date, with a payable amount of money at least equal to the amount of the draft.

Article 403:1- Accepting the draft shall be considered a presumption of the existence of the concurrent consideration with the acceptor. This presumption shall not be reversed in the drawee -bearer relationship.

2- The drawer alone, in case of denial, whether or not the draft was accept shall establish that the drawee had with him a concurrent consideration at the maturity date. If he does not establish that, he shall be guarantor of the settlement, even if he lodges the protest after the legally determined date. w the drawer establishes the existence of the concurrent consideration and it

continued in existence until the date on which the protest ought to have been lodged, he shall then be cleared thereof, up to the equivalent of that consideration, unless this was used in his interest.

Article 404:1- The ownership of the concurrent consideration shall be transferred by the rule of the law to the successive bearers of the draft.

2- If the concurrent consideration is less than the amount of the draft, the bearer shall have on this incomplete concurrent consideration all the rights prescribed therefore on the complete consideration. This provision shall apply if the consideration is disputed or immature debt on the maturity date of the draft.

Article 405: The drawer, even if he lodges the protest after the date legally determined therefore, shall deliver to the draft bearer the documents necessary for obtaining the concurrent consideration. If the drawer is declared bankrupt, the trustee in the bankruptcy shall commit himself to do that.

Article 406: If the drawer is declared bankrupt, even before the draft maturity date, the bearer alone excluding the other creditors of the drawer, shall get settlement of his dues from the concurrent consideration found in a valid manner with the drawee.

Article 407:1- If the drawee is declared bankrupt and the concurrent consideration is a debt to the drawer, this debt shall form part of the bankruptcy assest.

2- If the drawer has with the drawe goods, commercial papers, securities, or other property that may be retrieved according to the provisions on bankruptcy and that this property was explicitly or implicitly appropriated for settling the draft, the bearer shall have priority in getting settlement of his rights out of its value.

Article 408:1- If several drafts are drawn against one concurrent consideration insufficient to settle them all, their drawing dates shall be arranged in connection with their bearer's rights in having their debts settled out of the concurrent consideration. The bearer of the draft the date of which precedes the dates of the other drafts shall enjoy precedence over the others.

2- If the drafts are drawn on the same date, the draft carrying the acceptance of the drawee shall have precedence.

3- If none of the drafts carries the drawee's acceptance, the draft for which the concurrent consideration is appropriated shall have precedence.

4- The draft comprising the non-acceptance condition shall be the last in order.

4- ACCEPTANCE

Article 409: The draft bearer and each holder thereof may, until its maturity date, present it to the drawee in his domicile to accept it.

Article 410: 1- The drawer of the draft may stipulate Presenting it for acceptance within a date determined by him, or without determining a date therefore.

2- The drawer shall have the right to stipulate non-presenting the draft for acceptance. However, this condition shall not be set if the draft is payable with another person than the drawee, or is payable at another place than that in which the domicile of the drawee exists, or if it shall be payable after a specified period from sighting it.

3- The drawer may also stipulate non-presenting the draft for acceptance before a specified date.

4- Each endorser shall have the right to stipulate presenting the draft for

acceptance at a date determined thereby or without determining a date therefore, unless the drawer has stipulated non-presenting it for acceptance.

Article 411:1-A draft that is mature for settlement after the lapse of the specified period from sighting it shall be submitted for acceptance within a year from its date.

2- The drawer shall have the power to shorten or extend that date.

3- Each endorser shall have the right to shorten the date.

Article 412:1- The drawee may request presenting the draft for acceptance once again on the day next to its first presentation. The allegation that this request was refused shall not be accepted from the interested parties unless it was mentioned in the protest

2- The bearer of the draft submitted for acceptance shall not be made to give it up to the drawee.

Article 413:1- The acceptance shall be written on the draft itself be indicated by the expression “accepted” or by any other statement denoting its meaning and shall be signed by the drawee.

2- The drawee's mere signature on the front part of the draft shall be considered "acceptance".

3- If the draft is payable after a specified period from sighting it, or it should be presented for acceptance within a specified period based on a special condition, the date of acceptance shall be indicated as the day on which it was signed, unless the bearer obligates indicating the date of acceptance as the day on which the draft was submitted, If acceptance is void of the date, the bearer — in order to maintain his rights in having recourse against the endorsers and the drawer — may establish the absence of the date by lodging a protest at a time it could be useful

Article 414:1- The 'acceptance' of the draft shall be unconditional. However, the drawee may restrict it to a portion of the draft amount,

2- All other amendments in the data of the draft, within the 'acceptance' formula, shall be considered as refusal of the 'acceptance'. However, the acceptor shall remain bound by the contents of his 'acceptance' formula.

Article 415:1- If the drawer defines in the draft a place for settlement other than the domicile of the drawee, without indicating the name of the person with whom the settlement shall take place, the drawee may name him at the time of 'acceptance'. If he does not name him, the acceptor drawee shall be considered bound to pay at the place of settlement.

2- If the draft is payable at the domicile of the drawee, he may — at the acceptance — name an address in the same place of his domicile where the settlement shall take place.

Article 416: 1- If the drawee accepts the draft he shall be bound to settle its value at its maturity date.

2- In case of non-settlement, the bearer, even if he is the drawer himself, shall claim from the acceptor-drawee, in a direct court action resulting from the draft, all that may be claimed by virtue of articles 444 & 445 of this law.

Article 417:1- If the drawee cancels his acceptance as written on the draft before returning it, the acceptance shall be considered as refused, and cancellation shall be considered as having taken place before returning the draft, unless contrary is established.

2- However, if the drawee notifies the bearer or any other signatory acceptance, in writing, he shall be committed towards them With limits of that acceptance.

5- ALTERNATIVE GUARANTEE

Article 418:1- An alternative guarantor may guarantee the settlement of the draft amount wholly or partially.

2- This guarantee shall be from any person, even if he is of those who signed the draft.

Article 419: 1- The alternative guarantee shall be written on the draft or on the allonge.

2- The guarantee shall be given with the statement 'for alternative guarantee or any other expression denoting that meaning, and shall be signed by the guarantor.

3- This guarantee shall be made use of by the mere signature of the guarantor on the forepart of the draft unless this signature is issued by the drawee or the drawer.

4- The name of the guaranteed shall be mentioned in the guarantee, otherwise it shall be considered as made for the drawer.

Article 420:1- The alternative guarantor shall abide by the method whereby the guarantee was committed.

2- The alternative guarantor's obligation shall be valid, even if the obligation he guaranteed was invalid for any other reason than a flaw in form.

3- If the alternative guarantor honours the draft, all the rights ensuing therefrom vis-à-vis each obligor by virtue of the draft shall devolve to him vis-à-vis the guaranteed.

6- MATURITY

Article 421:1- A draft that is due for settlement may be drawn:

A. At sight.

b. A specified time after sight.

C. A specified time from the date of its issue.

D. At a specific date.

2- Drafts comprising maturity dates other than those mentioned of the previous clause, or successive maturity dates, shall be null and void.

Article 422:1- A draft payable at sight shall be due for payment upon presenting it. It shall be submitted for payment within One year from issuing it. The drawer may shorten or extend that date and the endorsers may shorten it.

2- The drawer may stipulate non-presenting the draft payable at sight before the lapse of a specific period. In this case, the date for presenting the draft shall be calculated starting from the date it falls due.

Article 423:1- The maturity date of the draft payable after a time from sight shall begin from the date of acceptance or the date of protest.

2- If no protest is made, the undated acceptance shall be Considered as taking place with regard to the acceptor on the last day of the period prescribed for presenting the draft for acceptance.

Article 424: 1- A draft drawn for one month or for several months from the date of sighting it shall mature on the corresponding date of the month in which the settlement shall be due. If there is no corresponding date in that month, its maturity shall be on the Last day of the month.

2- If the draft is drawn for one and a half month or for several months and half a month from the date issuing it, or the date of sighting it, it shall then be necessary to begin calculating complete months.

3- If the maturity of the draft is on the first, in the middle, or at the end of the month, the intended day shall be the 1st day, the 15th day or the last day of the month.

4- The statement 'half month' shall mean fifteen days.

Article 425:1- If the draft matures on a specific date, and at a place where the calendar differs from its place of issue, the maturity date shall be considered as determined according to the calendar of the place of settlement.

2- If the draft is drawn between two places of different calendars, and matures after a specified time from the date of its issue, the date of issuing it shall be restituted to the corresponding day in the calendar of place of settlement. The maturity date shall be determined accordingly.

3- The date of presenting the draft shall be calculated according to the provisions prescribed in the previous clause.

4- These provisions shall not apply if from the conditions or data of the draft it transpires that it is intended to follow the other provisions.

7- PAYMENT

Article 426:1- The bearer of the draft payable on a defined date or after a defined period from the date of its issue or from sighting it, shall present it for payment on its maturity date, or on one of the two working days following that date.

2- Presenting the draft to one of the legally recognized clearing houses shall be practically as good as presenting it for honouring.

Article 427:1- If the drawee honors the draft he may recuperate it from its holder, duly signed to denote honouring it.

2- The draft bearer shall not refrain from accepting partial payment.

3- If the payment is partial, the drawee may ask to record it on the draft and be handed a quitclaim.

4- The drawer, the endorser, and others who are bound by the draft shall be relieved of their obligation within the limits of the amount paid of its value. Its bearer shall lodge the protest in respect of the unpaid portion.

Article 428:1- The draft bearer shall not be forced to collect its value before its maturity date.

2- If the drawee pays before the maturity date he shall bear the consequences thereof.

3- Paying the draft at the maturity date without valid objection shall clear the responsibility of the payer, unless a fraud or series error occurs from him. he shall check to ascertain the sequence of endorsements, but is not obliged to ascertain the validity of the endorsers' signature.

Article 429:1-If the drawer defines the draft amount in a foreign currency that should be one of those for which exchange rates are announced locally, payment in Egypt shall be in this currency unless it is mentioned in the draft that paying its value may be done in the local currency according to the selling, closing, or transfer rates with the Central Bank of Egypt, or according to the currency note rate if the Central Bank does not announce transfer rates for the draft currency. This shall be on the maturity- date, and if payment is not made on that date, the draft bearer shall have the choice between claiming the draft amount evaluated in the national currency according to the rate referred to on the maturity date or the payment date.

2-If the draft amount is defined in a currency carrying a common denomination and its value differs in the country where it is issued from its value in the country of payment, the currency shall be meant to be that of the country of payment.

Article 430:1- If the draft is not presented for payment on its maturity date each debtor on it may deposit its amount in the treasury of the court within the circuit which the place of payment lies of depositing the amount shall be at the cost and the responsibility of the bearer.

2- The clerks office of the court shall hand the depositor a document which shall acknowledge the deposited amount, its value, the date of issuing the draft, the maturity date, and the name of the person in whose favour the draft was drawn up originally.

3- If the bearer claims from the debtor honoring the draft, the debtor shall deliver to him the deposit document against receiving from him the draft duly marked with an annotation that payment has been made against the deposit document. The bearer shall collect the amount from the clerks office of the court by virtue of this document to the without valied, he shall pay the value of the draft to him.

Article 431: No objection to paying/honouring the draft shall be accepted except in the case of its loss, or the bankruptcy or interdiction of its bearer.

Article 432:1- If an unaccepted draft is lost, and it was drawn up in several copies, the party to whom it is payable shall claim payment thereof by virtue of one of the other copies.

2- If the draft is drawn up in several copies, and the copy bearing the acceptance formula is lost, claiming its payment by virtue of one of the other copies shall not be possible except by a warrant of the competent judge and providing a guarantor is presented.

Article 433: The party from whom a draft is lost — whether it is accepted or unaccepted — and he is unable to present one of the other copies, may obtain a warrant from the competent judge for its payment providing he establishes its ownership and he presents a guarantor therefore.

Article 434: 1 In case of refraining from paying the value of the lost draft, after claiming it according to the provisions of the second clause of article 432 and the provisions of article 433 of this law, the draft owner, in order to preserve his rights, shall establish this fact by lodging a protest he draws up on the day next to the maturity date, and announcing it to the drawers and the endorsers in the way and the time prescribed in article 440 of this law.

2- The protest shall be written on the date prescribed in the previous clause, even if it proved practically difficult to obtain the warrant from the judge in due time.

Article 435: The owner of the lost draft may obtain a copy thereof, by referring to the one to whom the draft was endorsed. This endorser shall assist him and permit him to use his name in claiming from the previous

endorser. The owner shall rise in this claim from one endorser to another until he reaches the drawer.

2- Each endorser shall write his endorsement on the copy of the draft delivered *from* the drawer, after marking an annotation thereon that it is a duplicate of a lost draft.

3- Claiming payment by virtue of this copy shall not be possible except by order of the competent judge providing a guarantor is presented.

4- All expenses involved shall be on the owner of the lost draft.

Article 436: Honouring/paying the draft on its maturity date, upon the order of the judge in the case referred to in the previous articles shall clear the debtor of this debt.

Article 437: The obligation of the guarantor prescribed in the second clause of article 432 and articles 433 & 435 of this law shall expire with the lapse of three years if no claim is made or court action lodged during that period.

8- RIGHT OF RECOURSE

Article 438:1- The draft bearer — in case it is not paid on its maturity date

— shall have the right of recourse against the endorsers, the drawer, and other parties bound to honour the draft.

2- The bearer shall have the right of recourse before the maturity date in the following cases:

A. Total or partial refrain from acceptance.

B. Bankruptcy of the drawee, whether acceptor or non-acceptor of the draft, or his discontinuation of the payment, even if not confirmed by a court ruling, or levying an unavailing distress upon his property.

C. Bankruptcy of the owner of the draft in which a condition is set not to present it for acceptance.

3- Each guarantor, on being subject to recourse against him before the maturity date in the cases prescribed in items (b) & (C) of the previous clause may, within three days from the date of recourse, submit to the competent judge at the court within the circuit of which lies his domicile a memorandum requesting a period for payment. If the judge deems there is a justification for granting that period, he shall determine in his warrant the date during which payment shall be made providing it shall not exceed the date appointed for the draft maturity; This warrant shall be final.

Article 439:1- Establishing the refrain from the accepting or paying the draft shall be through a protest against the non-acceptance or non-payment of the draft.

2- The protest against non-acceptance of the draft shall be made within the dates determined for submitting the draft for acceptance. If the first presentation for acceptance takes place according to the first clause of article 411 of this law on the last day of the time determined for presenting the draft, the protest may be made on the next day.

3- The protest against non-payment of the maturing draft shall be made on an appointed day from the date of issuing the draft or the date of sighting it within the four working days next to the draft maturity day. If the draft is payable at sight, the protest against non-payment shall be made according to the conditions prescribed in the previous clause concerning the protest against non-acceptance.

4. The protest against non-acceptance shall suffice to do without presenting the draft for payment, or lodging a protest against non-payment.

5- In case the drawee discontinues payment, whether he is acceptor of the draft or riot, or in case of levying an unavailing distress o property, the bearer of the draft may not have recourse against the guarantors except after presenting the draft to the drawee to pay it. And after lodging a protest against non-payment.

6- In case the drawee is declared bankrupt, whether he is acceptor of the draft or not, and also in case of the declared bankruptcy of the drawer of the draft in respect of which a condition is set for non-presenting it for acceptance, presenting the bankruptcy ruling shall be adequate to enable the bearer of the draft to use his rights of recourse against the guarantors.

Article 440:1 The bearer of the draft shall notify the endorsement and the drawer of the non-acceptance it or non-payment it, within the four working days next to the day on which the protest is made or the day of presenting the draft for acceptance or payment, if it comprises the condition of recourse without expenses. Each endorser during the two working days following the day of his receipt of the notification, shall in turn notify the one who had endorsed the draft for him that he has received that notification, indicating thereto the names and address of those who gave the previous notification, and thus from one endorser to another endorser until reaching the drawer. The period with regard to each endorser shall begin from the date he receives the notification from the endorser who preceded him.

2-Once one signatory of the draft has been notified according to the previous clause, his alternative guarantor shall also be notified at the same date.

3- If one of the endorsers does not show his address or shows it ambiguously, obscurely, and illegibly, the notification of his preceding endorser shall be adequate.

4- The person who addresses the notification shall proceed by sending it in registered mail, Cable, Telex or Fax message, or any other method, even by returning the draft itself. He shall establish his dispatch of the notification at the date determined therefor, The date shall be considered complied with if the registered letter or cable is delivered to the post or the telegraph office at the said date.

5-The rights of the party committed to dispatch the notification shall not abate if he fails to send it at its determined date. However, in case of necessity, he shall compensate the harm resulting from negligence providing the compensation shall not exceed the amount of the draft.

Article 441:1- The drawer and each endorser or alternative guarantor may exempt the bearer from staging a protest against non-acceptance or against nonpayment in using his right of recourse, if he writes on the draft the condition 'recourse without expense' or 'without protest' or any other condition denoting the same meaning, along with signing this condition.

2-. This condition shall not exempt the bearer from presenting the draft at the prescribed dates, nor from sending the necessary notification. Those insisting vis-a-vis the bearer on his failure to observe these dates shall establish this argument.

3- If the drawer writes the condition 'recourse without expense', the effects

of this condition shall apply to all signatories. If one of the endorsers or alternative guarantors writes it, its effects shall apply to him alone.

4- If the drawer is the one who set this condition and the bearer stages protest despite that, he shall alone bear the expenses. if, however, an endorser or alternative guarantor set the condition, recourse against the other signatories may be made for the expenses of the protest, if staged.

Article 442:1. The persons who are obligors by virtue of a draft shall be jointly accountable vis--vis its bearer.

2- The draft bearer shall have the right of recourse against these obligors, severally or jointly, without being obliged to observe the order of their obligations.

3- The right shall be established for each one having signed the draft if he pays its amount.

4- A court action brought against one of the obligors shall not prevent having recourse against the rest, even if they are subsequent to the obligor on whom the notice of action is addressed in the first place.

Article 443: The draft bearer shall claim the following from those who have the right of recourse against him:

A. Original amount of the non-accepted or non-paid draft along with the interest agreed upon.

B. The interest calculated according to the rate applied by the Central Bank of Egypt, effective the maturity date.

C. Expenses of the protest, notifications, stamp duty, and others. In case of recourse before the draft maturity date, the equivalent of the official discount rate at the date of recourse in the place where the bearer's domicile is located shall be deducted from its amount.

Article 444: The one who pays the draft may claim the following from his guarantors:

A. The amount he paid.

B. The interest on this amount, calculated from the day of payment, according to the rate applied by the Central Bank of Egypt

C. The expenses he incurred

Article 445:1- Each obligor from whom a draft is claimed by way of

recourse, or who is targeted for its claiming, shall have the right to claim, in case of paying the draft amount, to be handed the draft together with the protest and quitclaim for the amount he paid.

2- Each endorser who pays the draft shall have the right to cancel his endorsement and the subsequent endorsements.

Article 446: In case of recourse after partial acceptance , the one who pays the unaccepted portion of the draft amount shall have the right to request recording this payment on the draft and a quitclaim to be handed to him. The bearer, in addition to this request, shall deliver to him a true copy of the draft signed by him, and also the protest to enable him to use his right of recourse against others.

Article 447:1- The rights of the draft bearer vis-à-vis the endorsers, the drawer, and other obligor, except the acceptor, shall abate with the lapse of the dates defined for doing the following:

A. Submitting the drafts at sight or maturing after a defined time from sighting.

B. Lodging protest against non-acceptance or non-payment.

C. Submitting the draft for payment in case it comprises the condition recourse without expense. –

2- However, the drawer shall not benefit by this abatement unless he establishes that he brought in the payment consideration in the maturity date. In this case, the bearer can only have recourse against the drawee.

3- If the draft is not presented for acceptance on the date stipulated by the drawer, the bearer's rights of recourse because of non- acceptance and non- payment equally shall abate, unless it transpires from the statement of the condition that the drawer only meant to exempt himself from the acceptance guarantee solely.

4- If the endorser is the one who stipulates in the endorsement a date for presenting the draft for acceptance, he alone shall benefit by this condition.

Article 448:1- If the force majeure preventing the draft or loading the protest at the dates determined therefore, these dates shall extend subsequently.

2- The bearer shall notify the force majeure, without delay, to the one who endorsed the draft to him, and record the notification together with the date and his signature on the draft or the allonge. These notifications shall sequentially be sent according to article 440 of this law.

3- The bearer after disappearance of the force majeure shall submit the draft for acceptance or payment without delay, then lodge the protest if necessary.

4- If the force majeure lasts for more than thirty days, calculated from the maturity date, recourse may be applied against the obligors without need for presenting the draft or lodging the protest.

5- If the draft is payable at sight or matures after a defined period from sight, the thirty days period shall run from the date the bearer notifies the force majeure to the one who endorsed the draft to him even if this date falls before the lapse of the dates set for presenting the draft. The period for sighting the draft shall be increased over thirty days if the draft matures after a specified period from sight'.

6- Matters related to the person of the draft bearer or the one he assigned for presenting it or for lodging the protest shall not be considered a force majeure.

Article 449: The bearer of the draft in respect of which a protest against non-payment is lodged may levy a preventive distress without bail on the property of each of the drawer, acceptor, endorser, alternative guarantor, or other obligors regarding the draft, subject to the provisions prescribed in the Civil and Commercial procedure law. The judge shall issue his writ of preventive attachment without bail whenever the draft bearer submits the application accompanied by the original copy of the draft and a protest for not paying

9- INTERVENTION.

First: General provisions.

Article 450:1- The draft drawer, endorser, or alternative guarantor shall have the power to appoint a person to accept it or pay its amount if necessary.

2— The draft may be accepted or paid by a person intervening in favour of any debtor therewith who is target for recourse to be exercised against him, subject to the conditions prescribed in the following articles.

3- The intervening party may be among third parties, even if it the non-acceptor drawee. The intervening party may also be any person bound to honour the draft, with the exception of the acceptor drawee.

4- The intervening party shall notify the party in whose favour the intervention takes place, within the next two working days, otherwise he shall be accountable when necessary for compensation of the harm ensuing from his negligence providing it shall not exceed the amount of the draft.

Second: Acceptance by Intervention.

Article 451: 1- Acceptance intervention may be effected in all cases where the possibly acceptable draft bearer has the right of recourse before the date of its maturity.

2- If, on the draft, one is appointed to accept or pay its amount in case of necessity, at its place of payment, the bearer shall not, before its maturity date, have recourse against the one who made this appointment, nor the signatories subsequent to him, unless he presents the draft to the person appointed for its acceptance or payment, and this person refrains from accepting it, and the bearer established this refrain by lodging a protest

3- The bearer, in the other cases, may refuse the acceptance by intervention. If he accepts it, he shall lose the right of recourse before the maturity date against the one in whose favour the intervention took place and the signatories subsequent thereto.

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Article 452: The acceptance by intervention shall be mentioned on the draft and signed by the intervening party. Besides the name of the one in whose favour the intervention is made. If the acceptance by intervention is void of this last statement, it shall be considered made in favour of the drawer.

Article 453:1- The acceptor by intervention shall be bound vis-à-vis the bearer of the draft and the subsequent endorsers, for the one in whose favour the intervention is made, in the manner with which the latter is bound.

2- The one in whose favor the intervention is made and his guarantor may, notwithstanding the occurrence of acceptance by intervention, oblige the bearer, in return for paying the amount prescribed in articles 443 of this law, to deliver the draft and the protest and hand a quitclaim acknowledging receipt of the said amounts.

Third: Payment by Intervention.

Article 454:1- The draft may be paid by intervention in all cases where its bearer has the right of recourse against those bound to honour it, on its maturity date, or before the date of its maturity.

2- This payment by intervention shall be made by paying all the amounts the person in whose favour the intervention took place had to pay.

3- Payment shall take place at most on the day following the last day on which a protest against non-payment may be lodged.

Article 455:1- If those who accept the draft by intervention, or those appointed *for* its payment whenever necessary, have a domicile in the place of payment, the bearer shall present the draft to all these persons for its payment. He shall lodge a non-payment protest, if so necessary, at most on the day following the last day on which this protest may be lodged.

2- If the protest is not lodged on that date, the obligation of the one appointing the person who is charged with paying the draft when necessary, or the one who accepted the draft by intervention in his favour shall be released. The obligation of the endorsers subsequent to that person will similarly be released.

Article 456: *If* the draft bearer refuses the payment of the draft by intervention, he shall lose his right to recourse against each of those whose obligation would be released by this payment.

Article 457:1- Payment by intervention shall be indicated by writing a quitclaim on the draft mentioning the one in whose favour the payment has been made. If the quitclaim is void of this indication, payment by intervention shall be considered as having taken place in favour of the drawer.

2- The draft and the protest if lodged shall be delivered to the person who paid the draft by intervention.

Article 458: 1- The payer of a draft by intervention shall acquire all the rights ensuing therefrom vis-à-vis the one in whose favour the payment is made, and also vis-à-vis the obligors toward that person by the virtue of the draft, however, the payer by intervention may not endorse the draft anew.

2- The obligation of the endorsers subsequent to the one in whose favour payment is made shall thus be released.

3- If several persons compete to pay intervention, preference shall be given to the payer whose payment shall result in releasing the obligation of the largest number of obligors. Whoever intervenes to pay the draft in violation of this rule while knowing of this violation, shall lose his right of recourse against the person whose obligation would be released if this rule was observed.

10- Multiplicity Of Copies

Article 459:1- The draft may be drawn in several copies conforming to each other.

2- The number of the draft and the number of the copies drawn up thereof shall be mentioned in the text of each copy, otherwise each copy shall be considered a draft independent by itself.

3- Each bearer of a draft in which no mention is made that it was drawn from a unique copy may request a copy thereof at this expense. In order to realize that he shall resort to the one endorsed it for him who shall assist him with the previous endorser, and so forth until he rises to the drawer.

4- Each endorser shall write his endorsement on the new copies.

Article 460:1- Paying the draft by virtue of one of its copies shall release the obligation even if no stipulation is made therein that such payment will invalidate the effect of the other copies. However, the drawee shall remain obligated to pay by virtue of each copy he signed for acceptance and has not recovered it.

2- The endorser who endorsed the copies of the draft for different persons, and also the endorsers subsequent to him, shall be obligated by virtue of all the copies carrying their signatures, without recovering them.

Article 461:1 - Whoever sends one of the drafts copies for acceptance shall indicate on the other copies the name of the person in whose possession this copy shall be kept, and this person shall deliver it to the legal bearer of any other copy. If he refuses to deliver it, the bearer shall not have the right of recourse unless he lodges a protest in which to mention:

A: That the copy which was sent for acceptance was not delivered to him despite his demand for it.

B: That no acceptance or payment to place by virtue of another

11- Duplicates.

Article 462:1- The draft bearer may draw up duplicates thereof.

2- The duplicates drawn up shall be true copies completely conforming to the original draft and the endorsement and other data on it. He shall indicate in the limit at which copying ends from the original.

3- The copy may be alternatively endorsed and guaranteed the way the original is endorsed or guaranteed, and with the same effects.

Article 463: 1- The possessor of the original shall be indicated in the copy of the draft. This possessor of the original shall deliver it to the legal bearer of the copy.

2- If the holder of the original refrains from delivering it, the holder of the copy shall not have the right of recourse against its endorsers or alternative guarantors, unless a protest is lodged in which is mentioned that the original was not delivered to him upon his request.

3- If, on the original, the statement “from now no endorsement shall be valid except on the copy” or any other statement denoting this meaning, was written after the last endorsement that took place before making the copy, all

endorsement written on the original shall then be considered a null or non-existent.

12- Perversion.

Article 464: If a perversion occurs in the text of the draft the signatories subsequent to this perversion shall bind themselves by the contents of the perverted text. However, the previous signatories shall bind themselves by the original text contents.

13- Prescription.

Article 465:1- The court actions arising from the draft against its acceptor shall prescribe with the lapse of three years from the date of maturity.

2- The court actions of the bearer against the endorsers and the drawer shall prescribe with the lapse of one year from the date of the protest lodged within the statutory date, or from the date of maturity if the draft comprises the condition: “recourse without expenses”.

3- The court actions of the endorsers against each other and the drawer shall prescribe with the lapse of six months from the day on which the endorser pays the draft, or from the day of filing the case against him.

Article 466:1 If the court action is filed, the prescription periods set forth in the previous article shall not apply except from the date of the last valid procedure in the case.

2- The said prescription shall not apply if a court ruling is pronounced confirming the debt or the debtor admits the debt in a separate document, resulting in renewal of the debt.

Article 467: The interruption of the period stipulated upon in the prescription of the court action shall have no effect except with regard to the person towards whom the procedure interrupting the prescription period was taken.

CHAPTER 2

PROMISSORY NOTE

Article 468: A promissory note shall comprise the following data:

A.. The ‘order condition’ or the expression ‘promissory note’, or any other statement denoting the same sense, written in the text of the note, in the language of the note itself.

B. Unconditional undertaking to settle a specified amount of money.

C.. Maturity date.

D. Place of payment.

E. Name of the person to whom or to whose order payment shall be made (beneficiary).

F. Date and place of establishing the note.

G. Signature of the person instituting the note (writer of the document).

Article 469: A bond that is void of one of the data mentioned in the previous article shall not be considered a promissory note except in the following cases:

A. If the promissory note is void of an indication of the maturity date, it shall be considered payable at sight.

B. If the promissory note is void of an indication of the payment place or domicile of its writer, the place of instituting the note shall be considered a place for its payment and a domicile for its writer.

C. If the promissory note is void of an indication of the place of its

establishment, the place indicated next to the name of the writer shall be considered a place for its institution.

Article 470: The provisions on the draft shall apply to the promissory note, to the extent where they do not contradict with its entity. The provisions on the following issues shall in particular apply thereto:
Legal capacity.

- Endorsement.

- Alternative guarantee, considering that if the name of the guaranteed obligors is not mentioned in the formula of the guarantee it shall then be considered made in favour of the writer of the note.

- Maturity.

- Payment, payment by intervention, and protest to payment.

- Recourse and protest.

- Duplicates and multiplicity of copies.

- Perversion.

- Prescription.

Article 471:1- The writer of the promissory note shall commit himself the way the acceptor of the draft does.

2- The maturing promissory note shall be presented after a specific period from sighting to the writer at the time prescribed in article 441 of this law, for an annotation thereon, indicating he sighted it. The annotation shall be dated and signed by the writer. The sighting period shall begin from the date of that annotation. If the writer refrains from adding the annotation a protest shall be lodged to establish his refrain. The date of that protest shall be considered the start of sighting validity period.

Article 472: In matters where no special texts are prescribed in this chapter, the provision governing the draft shall apply to the check where they do not contradict with its nature.

CHAPTER-3

THE CHECK

I- ISSUING THE CHECK

Article 473 : The check shall comprise the following data:-

A. The word 'check' written in the text of the document in the language used in writing the document.

B. *An* unconditional order to pay a specified amount of money, *written* in figures and in words.

C. Name of the bank on which the check is drawn.

D. Place of payment

E. Date and place of issuing the check.

F. Name and signature of the person issuing the check.

Article 474: A document that is void of one of the data mentioned in article 473 of this law shall not be considered a check except in the following cases:

A. If the check is void of the data on the place of payment, it shall be considered payable at the place where the head office of the drawee bank exists.

B. If the check is void of the data on its place of issue, it shall be considered issued in the domicile of the drawer

Article 475: A check issued in Egypt and payable in it may not be drawn except on a bank. A document drawn in the form of a check n other than a bank, or written on other than the forms of the drawee bank shall not be considered a check

Article 476: If the amount of the check written in words and in figures together, the criterion in case of difference shall be in the amount written in words.

Article 477:1- The check may be stipulated to be paid to:-

A. The person named in the text, with or without stipulating that it shall be payable to order.

B. Bearer of the check.

2- A check drawn in favour of a named person and in which the expression or the bearer or any other statement denoting this meaning is provided shall be considered a check to bearer.

3- A check in which the name of the beneficiary is not mentioned shall be considered a check to bearer.

4- A check payable in Egypt and comprising the condition non-negotiable shall not be paid except to the beneficiary who revived it coupled with this condition.

Article 478: 1- The check may be drawn to order of its drawer.

2- It may also be drawn to order of another person.

3- It may not be drawn on its drawer except in case of drawing it from a bank on one of its branches, or from a branch on another branch, providing the check shall not be payable to its bearer.

Article 479: The obligations of those lacking legal who are not traders and legally incapacitated, which result from their signatures on the check as drawers, endorsers, or alternative guarantors, or in any other quality, shall be invalid in relation to them solely.

Article 480: - If the check carries the signatures of persons lacking the binding legal competency, or forged signatures, signatures of bogus persons, or signatures that do not commit their owners for other reasons, nor those in

whose names the check was signed, still the obligations of the other signatories of the check shall remain valid.

Article 481:1- The form of commitment by virtue of the check shall be subject to the law of the state in which it was issued

2- However, if the commitment is invalid in form by virtue of the law referred to in the previous clause, but valid in form according to the provisions of the Egyptian law, this flaw in form shall have no effect on the validity of the subsequent obligations arising by virtue of the check in Egypt.

Article 482(1): 1- No acceptance is required for the check, If the acceptance formula is written in it, it shall be considered as null and non-existent.

2- However, the check may be presented to the drawee to mark a certification annotation on it. This annotation denotes the existence of the amount payable against the check, with the drawee, on the date of annotation. The drawee's signature on the front portion of the check shall be considered a certification thereof.

3- The drawee may not refuse certifying the check if an amount sufficient to pay against the check exists therewith.

4- The amount payable against the certified check shall remain frozen and

on the drawee's responsibility in favor of the bearer until expiry of the dates on which the check can be presented for collection.

5- However the drawee may annotate on the check for indicating that the signature of the drawer conforming to his signature existed at the drawee but this annotation not indicating that the drawee has the concurrent consideration for the check at the time of annotation.

Article 483: The interest condition set in the check shall be considered as non-existent.

Article 484: A provision may be added in the check by special agreement between the drawer and the drawee, for payment of the check at the location of another bank.

Article 485:- The drawer shall guarantee payment of the check value. All condition providing for exemption of the drawer himself from the guarantee shall be considered as non-existent.

Article 486: 1- The bearer check shall be negotiable upon delivery.

2- A check which is issued conditional upon its payment to a named person, whether the condition 'to order' is or is not provided in its text, shall be negotiable by endorsement.

3- A check which is issued conditional upon its payment to a named person, and in which is written the statement 'not to order' or any other statement denoting the same sense, may not be negotiated except by following the provisions on debt transfer as prescribed in the Civil Code, with all effects consequent upon this transfer.

4- The check may be endorsed to the drawer or to any other obligor. These may also endorse the check anew.

Article 487:1- Endorsement shall be unconditional. All condition set *for* the endorsement shall be considered as non-existent and null, and the endorsement shall remain valid.

2- A partial endorsement shall be null and invalid.

Article 488: The endorsement shall be on the check itself. The signature of the endorser may be restricted to ("endorsement in blank"). To be valid, the endorsement shall be on the back of the check.

Article 489: 1- The endorsement shall transfer all rights consequent upon the check to the endorsee.

2- If the endorsement is in blank, the bearer may:

A. Fill in the blank spaces by writing his name or the name of another person.

B. Endorse the check anew in blank or to another person.

C. Deliver the check to another person without filling in the blank space, even if he does not endorse it.

Article 490: 1- The endorser shall guarantee paying the amount of the check unless otherwise agreed upon.

2- The endorser may ban endorsing the check anew. In this case he shall not be committed to guarantee vis-à-vis those to whom the check devolves by a subsequent endorsement.

Article 491: The holder of the endorsable check shall be considered its legal holder, as long as the endorsements provided therein are uninterrupted, even if the last endorsement thereof is in blank. Cancelled endorsements shall in this respect be considered null and non-existent. If the endorsement in blank is followed by another endorsement, the latter endorser shall be considered the one to whom the check devolved by the blank endorsement

Article 492: The endorsement on a bearer check renders the endorser

responsible according to the provisions on the right of recourse. However, this endorsement shall not result in rendering the document a check to order.

Article 493: If the person loses the possession of the bearer or endorsable check, the one to whom the check devolved shall not be forced to relinquish it unless he has obtained it in bad faith, or has committed a serious error toward obtaining it, providing that — in case of the endorsable check — he shall establish his right to it according to the provisions of article 491 of this law.

Article 494: Subject to the provisions of article 479 of this law, the litigant against whom a lawsuit by virtue of a check shall not use, against the bearer, the rebuttals based on his relationships with the drawer or former bearers of the check unless the intention of the bearer at the time he obtained the check was to harm the debtor.

Article 495:1- If the endorsement comprises the statement (amount for collection), or the amount for chashing, or for delegation, or any other statement indicating the delegation, the bearer may use all rights resulting from the check, but he may not endorse it except by way of the ‘delegation’.

2- The obligors in this case shall not use, vis-à-vis the bearer of the check, except the pleas and rebuttals that may be used vis-à-vis the endorser.

3- The delegation vested in the endorsement shall not extinguish with the death of the principal or the interdiction brought on him.

Article 496: 1- The endorsement subsequent to the protest, or whatever stands for it, and the endorsement which takes place after the lapse of the period prescribed for presenting the check shall produce nothing but the effects of the debt transference prescribed in the Civil law.

2- In the undated endorsement it shall be assumed that it had taken place before lodging the protest or whatever stood for it, or before the lapse of the period prescribed for presenting the check, unless otherwise established.

3- The date of endorsement shall not be advanced. If it occurs, it shall be considered a forgery.

2- CONCURRENT CONSIDERATION.

Article 497: 1- The check drawer or the person drawing the check for his account shall deposit with the drawee a concurrent consideration for the check. The person drawing for the account of others shall be accountable vis-a-vis the endorsers and the bearer alone *for* providing the concurrent consideration.

2- Subject to the provisions of article 503 of this law, the concurrent consideration shall be in hand, if the drawer or the remitter had with the drawee at the time of issuing the check an amount payable and at least equal to the amount of the check, besides being possible for disposing thereof by

virtue of a check according to an explicit or implicit agreement between the drawer and the drawee.

Article 498: The drawer alone shall establish, in case of denial, that the drawee had therewith a concurrent consideration at the time of issuing the check. If he does not establish that, he shall then be a guarantor for honouring the check, even if he lodges the protest, or an action substituting that procedure, after the statutory date. If the drawer establishes the existence of the concurrent consideration amount and its continued existence until the date at which the protest, or the protest substitute procedure, ought to have been lodged, his obligation will be cleared up to equivalent of that concurrent consideration amount, unless it was used in his interest.

Article 499:1- The ownership of the concurrent consideration amount shall be displaced by rule of the law to the successive bearers of the check.

2- If the concurrent consideration amount is less than the value of the check, the bearer shall have on the short consideration amount all the rights prescribed therefore on the complete consideration amount.

3- The bearer shall have the power to refuse the incomplete consideration amount if offered thereto by the drawee, besides, the choice to accept it. In this case, the drawee shall annotate on the check the amount paid and

request a quitclaim from the bearer for the amount. The bearer shall lodge a protest or a procedure standing for it, regarding the remaining portion.

4- The obligation of the drawer, or endorsers and the alternative guarantors shall be cleared up as much as the incomplete consideration amount in case of settling it and an annotation is added on the check accordingly.

3-ALTERNATIVE GUARANTEE

Article 500:1- An alternative guarantor may guarantee honouring the whole or part of the check amount.

2- This guarantee may be offered from a third party except the drawee. It may also be offered by one of the check signatories.

Article 501: 1- The alternative guarantee shall be fixed on the check.

2- The guarantee shall be provided by the expression 'for alternative guarantee' or by any other expression denoting the same sense, and shall be signed by the guarantor.

3- Benefiting by the alternative..guarantee shall be realized through the guarantor's mere signature on the front side of the check.

4- In the alternative guarantee shall be mentioned the name of the guaranteed, otherwise the guarantee shall be considered made in favour of the drawer.

Article 502:1- The alternative guarantor shall bind himself by the method the guaranteed committed himself with.

2- The alternative guarantor's obligation shall be valid even if the obligation comprised therein was invalid for any other reason than a flaw in form.

3- If the alternative guarantor honours the amount of the check, all the rights ensuring therefrom vis-à-vis the guaranteed and every obligor shall devolve to him by virtue of the check, *vis-à-vis* the said guaranteed.

4- HONOURING THE CHECK

Article 503:1-The check shall be payable upon signing. All statement otherwise added shall be null and non-existent.

-If the check is presented for honouring before the date mentioned in it the issue date, it shall be honoured on the day it is presented, with *the* exception of the lined checks prescribed in article (515) of this law as well as the governmental checks shall not be paid except on the date indicate therein as their date *of* issue.

1.

Article 504:1- A check drawn and payable in Egypt shall be presented for honouring within six months.

2- A check drawn and payable in any other country abroad , shall be submitted for honouring within eight months.

3- The validity of the period mentioned in each of the two previous clauses shall begin from the date indicated on the check.

4- Presenting the check to one of the clearinghouses that are legally recognized shall practically be as good as presenting it for honouring.

Article 505: If the check is drawn between two Locations with different calendars, the date of its issue shall be referred to the corresponding day in the check honouring place.

Article 506: If the check is payable in Egypt, the drawee bank shall not refrain from honouring it, as long *as* it has a consideration amount to honour it, even if the date of its presentation has expired.

Article 507:1- Objection shall not be acceptable in honouring the check, except in case of its loss, the bankruptcy of its bearer, or placing him under interdiction.

2- If objection is made despite this ban for other reasons, the court of summary actions shall upon the request of the bearer, pronounce a judgement cancelling the objection even in case of instituting an original lawsuit.

Article 508: The death of the drawer, losing his legal capacity or his bankruptcy after issuing the check shall not affect the rulings ensuing from the check.

Article 509:1- If several checks are presented at the same time, and the consideration amount is found inadequate to honour them, the order of their dates of issue shall be observed.

2- If these checks are detached from one check book and they bear the same date of issue, *the* check with the preceding number shall be considered as issued before the other bearing subsequent numbers. If the checks are detached from different check books, honouring them shall first begin with the check issued for the least amount.

Article 510:1- if a condition is set providing for honouring the check in Egypt in a specified foreign currency, this currency should be used in honouring the check if the drawer has with the drawee a consideration amount in that currency.

2- If a condition is set providing for honouring the check in Egypt in a

specified foreign currency, without the drawer having with the drawee a consideration amount for honouring the check in that currency, the check may be honoured in Egyptian currency according to the exchange rate announced for 'selling/transfers' with the drawee at the time the check is presented for honouring, if a consideration amount is available with it in that currency, unless the bearer refuses this honouring of the check.

3- If no honouring of the check is fulfilled on presenting the check, the bearer shall have to choose between the exchange rate ruling on the presentation day "closing", or at the time of honouring the check. In the respect of applying the provisions of lines 2 & 3, if there is no announced rate for transfers, the currency note rate shall be applied.

4- If the check is presented for the first time after the lapse of the period for its presentation, the criterion shall be the exchange rate ruling on the day the period set for its presentation expires.

5- If the check amount is defined in a currency carrying a common denomination and its value differs in the country of issue from its value in the check honouring country, it shall then be presumed that the currency is intended to be that of the check honouring country.

6- If the check amount is defined in a currency carrying a common denomination between different foreign currencies not including the currency of the check honouring country, the criterion shall be the type of currency available in the drawer's account. The criterion may also be on the

basis of the currency of the country where the check was issued if no currency carrying the common name exist in the drawer's accounts. In case multiple currencies exist in the drawer's accounts with the drawee, and it is found practically difficult to determine the currency intended for use in honouring the check, the check shall then be honoured with the currency of the least rate, unless the bearer refuses paying the check amount according to these bases.

Article 511:1- In case of losing the check issued to order, the provisions prescribed in articles from 433 to 436 of this law shall apply.

2- The warrantor's obligation to be presented in case of losing the check issued to order shall expire with the lapse of six months from the date of payment, if no claim or lawsuit is instituted during that period.

Article 512:1- If the check to bearer is lost or damaged, its owner may object with the drawee against paying its value. The objection shall comprise the number and amount of the check, the name of its drawer, and all other data to enable recognizing it, as well as the conditions surrounding its loss or damage. If some of these data are practically difficult to provide, the reasons for that shall be mentioned. If the objector has no domicile in Egypt, an elected domicile shall be appointed for him in it.

2-Once the drawee received the objection, it shall refrain from honouring the check to its holder, and set aside the consideration amount, until a final decision is issued in respect thereof.

3- The objector shall publish the number of the lost or damaged check, its amount, the drawer's name, the drawee's name, the name of the objector and his address, in a daily newspaper. All disposal in connection with the check after the date of that publication, shall be null and invalid.

Article 513: 1- The holder of the bearer check, in case of its loss, may contest the objection filed to prevent honouring the check, with the drawee. The drawee shall annotate on the check that the objection is lodged, and keep a copy thereof, then notify the objector with the name of the check holder and his address.

2- The holder of the check shall notify the objector by registered mail with acknowledgement of receipt, of the need to institute an action for maturity on the check within thirty days from the date he receives the notification. The notification shall comprise the check holding justification for holding the check and its date and their date.

3- if the objector does not institute the action for repossession of the check within the period prescribed in the previous clause, the summary court judge shall, at the request to the check holder pronounce a judgement ruling the cancellation of the objection. In this case the holder of the check shall be considered, in relation to the drawee, the legal possessor of the check.

4- If the objector institutes an action for repossession of the check, the drawee may not honour the check except to the litigant who presents a *final* ruling on the ownership of the check, or a compromise settlement duly signed by the two parties acknowledging for him its ownership.

Article 514:1- If a period of six months lapse from the date of objection as prescribed in article 512 of this law, without the check holder presenting it for honouring, the objector may request the court to authorize him to cash the check amount. This ruling shall be pronounced vis-à-vis the drawee after the court ascertains the objector's ownership of the check.

2- If the objector does not institute the action referred to in the previous clause, or institutes it but the court refuses it, the drawee shall re-enter the consideration amount on the assets side of the drawer's account.

Article 515:1- The owner or holder of the check may rule it by drawing two parallel lines on the front side of the check.

2- Linage. the check shall be general or special.

3- If between the line no statement is mentioned or the word 'bank' or any other statement denoting the same sense is written between the two lines, it shall be a general Image of the check. but, if a specific bank's name is written between the two lines, it shall be a special Image of the check.

4- The general Image may be turned into a special Image. But the special lineage may not be turned into a general Image.

5- Cancelling the lineage or the name (of the bank) as written between the two lines shall be considered as null and non-existent.

Article 516: 1-The drawee, in case of general lineage, may not pay the check amount except to a bank or a client of the bank.

2- The drawee, in case of special lineage, may not pay the amount of the check except to the bank whose name is written between the two lines. If this bank is itself the drawee bank, payment may be made to one of its clients by posting the value of the check in the account of this client. The bank whose name is written between the two lines may assign to another bank collecting the amount of the check by virtue of an endorsement for delegation.

3-A bank may not receive a check with a special lineage *for* settlement of its amount except from one of its clients or from another bank. it may not receive the amount of this check for account of other person than them.

4- if the check carries more than one special image, the drawee may not honour it except if it carries two special Image, and one is for collecting its value at the clearing house.

5- If the drawee violates the provisions prescribed in this article, he shall be accountable for compensating the harm up to and exceeding the check amount.

6- The expression 'client' in the provision of this article shall mean each person having an account with the drawee, and from whom he obtained a

check book, or he had the right to obtain that check book. Article 517:1- The drawer of the check or its bearer may stipulate dishonouring it in cash by putting on its front the expression (for posting in the account) or any other expression with the same meaning. In this case, the drawee does not have but to settle the value of the check by inscribing written entries, such as posting in the account or bank transference or clearing, settlement made by posting these entries shall stand for honouring the document.

2- crossing out the expression for posting in the account' shall not be reckoned with.

3- If the drawee violates the provisions prescribed in this article he shall be responsible for compensating the harm up to and not exceeding the amount of the check.

5-RIGHT OF RECOURSE.

Article 518: 1- The bearer of the check shall have the right recourse against the drawer, the endorsers, and other obligors if he submits it within the period set for presenting it, but its amount was not paid, and he establishes the refrain from payment by virtue of a protest. Instead of protesting, he may record the refrain from payment, its reason, by a statement to be issued by the drawee, mentioning the date of presenting the check. The statement shall be dated and written on the check itself, in addition to footing it with the

signature of the one who issued it. This statement may also be issued on a special form or from the clearing house, providing it shall be mentioned that the check was submitted in due course but was not honoured.

2- The statement referred to in the previous clause cannot be refrained from if requested by the bearer, and even if the check comprises the condition of recourse without expenses. However, the obligor committed to issue the statement may request a period not exceeding the working day following the day on which the check was presented, even if it was presented on the last day of the period defined for presenting the check.

3- Refraining from payment shall be established in the way prescribed in clause-I of this article, before the lapse of the period for presentation. if the check is presented on the last day of that period, refraining from payment may be proved on the working day next to it.

Article 519: The check bearer shall notify the endorser, and also the drawer that it was not honoured, and each endorser shall notify in turn the one who endorsed the check to him. The provisions prescribed in article 440 of this law shall apply to this notifications.

Article 520: In the check, the condition 'recourse without expenses' may be written. Hence The provisions prescribed in article 441 of this law shall apply.

Article 521:1-Obligors by virtue of a check shall be accountable jointly vis-à-vis bearer.

2-The bearer shall have the right of recourse against these obligors, severally or jointly, without being restricted by the order of their obligations.

3-The right shall be established for each obligor in the check if he pays its value.

4-An action instituted by one of the obligors shall not prevent having recourse against the rest, even if they are subsequent to the obligor to whom the action was addressed in the first place.

Article 522: The check bearer shall have the right to claim the following from the one against whom he has the right of recourse:

1-Original amount of the dishonoured check.

2-The interest, calculated from the date of presenting the check according to the rate of the Central Bank of Egypt dealings.

3-Expenses of the protest, or of the procedure standing for the protest, the notifications expenses, the stamp duty, and others.

Article 523: A person honouring the check (paying its value) shall claim the following from his guarantors:

A. The amount he paid.

B. The interest on that amount calculated from the date of honouring the check, according to the rate applied *by* the Central Bank of Egypt in its dealings.

C. The expenses he incurred.

Article 524:1- Each obligor from whom the payment of the check was claimed, or who was targeted for that claim, may — in case he proceeds with honouring the check *demand* delivering the check to him, together with the protest, or whatever stands for the protest, and a quittance for the amount he paid.

2- each endorser who had paid the value of the check may cancel his endorsement and the subsequent endorsements.

Article 525: The bearer of the check for which a non-payment protest or whatever stands for the protest is instituted, may levy a preventive attachment without hail on the property of each of the drawer, the endorser, or the alternative guarantor, subject to the provisions prescribed in respect of this attachment in the Civil and Commercial Procedure law.

Article 526:1- If a force majeure prevents submitting the check for payment, or for instituting protest or a substitute action within the times prescribed therefore, these periods shall be extended.

2-The bearer shall, without delay, notify his endorser of the force majeure. and shall record this notification, dated and signed by him, in the check. The sequence of the notification shall be according to article 440 of this law.

3-The bearer, after the disappearance of the force majeure, shall present the check for payment 'without delay', and shall institute the protest or the procedure standing for it, whenever necessary.

4-If the force majeure persists for more than thirty days calculated from the date on which the check bearer notified his endorser of the force majeure, even if that date took place before the expiry of the period set for presenting the check, recourse may take place against the obligors without need for presenting the check, recourse may take place, or instituting the protest or

the procedure standing therefore, unless the right of recourse is suspended by virtue of the law for a longer period.

3-Matters connected with the person of the check bearer or the one assigned thereby to present it, or institute the protest or whatever stands for the protest shall not be considered a force majeure.

Article 527: The check bearer reserves his right of recourse against the drawer even if he does not present the check to the drawee nor institute the protest or whatever stands for the protest within the statutory date. This is unless the drawer has offered the consideration amount that remained with the drawee until expiry of the period for presentation of the check, then the consideration amount disappeared by an act non-attributed to the drawer.

Article 528:1- The drawee shall bear alone the harm ensuing from honouring a check in which the drawer's signature was forged or in which the data was twisted, if no error can be attributed to the drawer. All condition otherwise prescribed shall be considered null and non-existent.

2-The drawer shall be considered at fault in particular if he does not exert in preserving the check book delivered to him the care an ordinary person exerts in preserving his book.

3-The drawee shall not be committed to ascertain the validity of the
• signatures of endorsers or alternative guarantors. Nor shall he accountable for their forgery.

6- DISTORTION

Article 529:If a distortion occurs in the text of the check, the signatories subsequent to the distortion shall bind themselves by the distorted text. The signatories prior to the distortion shall commit themselves to the original text.

Article 530:1- Each bank delivering to its client a book comprising blank check forms in blank for payment according by from its safes, shall write on each form thereof the serial number of the check, the name of the bank or of one of its branches, the name of the client receiving the book, and his account number.

2-The client's explicit or implicit acceptance of the periodical statement of account, the bank sends to him, shall be considered clearing the bank's obligations in respect of its debit and credit entries in that account from the amounts of the checks. The client's non-objection to the statement of account within thirty days from the date he receives it shall be considered implicit acceptance in particular. After acceptance of the statement of account, the bank may return to the client the checks he paid deductible from

his account, and retain photocopied registrations of these checks, which shall have full conclusiveness in favour of the bank.

7- PRESCRIPTION

Article 531: 1-The action for the check bearer's recourse against the drawer, the endorsers, and other obligors who are committed to pay the check amount shall prescribe with the lapse of a year from the date of presenting the check for honouring, or the expiry date of the period during which it shall be presented.

2-The check bearer's action against the drawee shall prescribe with the lapse of three years from the date the check is presented for honouring, or the expiry date of the period for its presentation.

3-The actions for recourse of the obligors against each other shall prescribe with the lapse of year from the day the obligor pays the check amount or the day he is claimed juridically to honour the check.

4-*If* the action is instituted, the prescription period stipulated upon in this article shall not apply except from the date the last procedure is carried out in the action.

5- The period of that prescription shall not apply if a court ruling is pronounced affirming the debt, or the debtor acknowledges it by separate document, in a way resulting in its renewal.

6-The provisions prescribed in the Civil code shall apply to the interruption or suspension of this prescription period.

Article 532: The check bearer, despite the prescription of court actions claiming payment of its value, may claim from the drawer who did not submit the consideration amount or submitted then recovered it wholly or partially, to refund what the bank gained therefrom unjustifiably. The bearer may also address this claim to each endorser realizing a gain unjustifiably.

8- PENALTIES

Article 533-1- Each employee at the bank perpetrating premeditatedly one of the following deeds shall be liable to a fine penalty of not Less than three thousand Egyptian pounds and not exceeding ten thousand pounds:

A .Announcing, contrary to reality, the non-existence of a consideration amount to meet the check, or the existence of a smaller consideration amount.

B .Refusing in bad faith the payment of a check having a MI or partial consideration amount and no valid objection was submitted in respect (hereof.

C .Refraining from placing or giving the statement referred to in the first clause of article 518 of this law.

D) .Delivering to a client a checkbook not comprising the data prescribed in article 530 of this law.

2- The bank shall be responsible jointly with his judgment debtor employees for settlement of the financial penalties ruled by the court.

Article 534:1- Whoever permeditatedly commits any of the following deeds shall be liable to imprisonment and a fine penalty not exceeding fifty thousand Egyptian pounds, or either penalty:

A. Issuing a check having no payable consideration amount.

8. Recovering or disposing of all or part of the balance of account after issuing the check so that the remaining balance turns inadequate to honour the check.

C. Issuing an order to the drawee not to pay the check amount in other than the cases prescribed legally.

D. Writing or signing a check in bad faith in a way causing its nonpayment.

2-Whoever endorses for another a check for transfer of ownership or delivers to him a bearer check although he knows it does not have a consideration amount to meet the whole check, or that it is unpayable shall be liable to the penalty stipulated upon in the previous clause.

3-If the culprit reverts to perpetrating one of these crimes within five years from the date a final judgment is pronounced against him, the penalty shall be confinement to jail and a fine not exceeding one hundred thousand pounds.

4-The victim of the crime and his special attorney in the crimes prescribed in this article may request the Public Prosecution or the court, according to each case, and in any condition of the action, to register his composition with the defendant.

The composition shall result in abatement of the criminal case, even it were instituted by direct prosecution.

The Public Prosecution shall order the stay of execution of the penalty if a compromise is reached during its execution, even after the ruling becomes preemptory.

Article 535: A beneficiary who in bad faith obtains a check without consideration amount, shall be liable to a fine penalty not exceeding one thousand Egyptian pounds, whether he is a natural or juridical person.

Article 536: Whoever contends in bad faith that a check is forged and a final judgment is passed invalidating this allegation shall be liable to a jail penalty and a fine not exceeding half the amount of the check or either penalty.

Article 537-1- If a ruling of indictment is pronounced in one of the check crimes prescribed in article 534 of this law, the court may order publishing the ruling at the expense of the indicated person in the judgments newspaper that published by the public union of the Egyptian commercial chamber. This publishing shall comprise the name, domicile, and profession of the indicted, and the penalty ruled on him.

2. In case of recidivism, the court may order withdrawing the checkbook from the indicted and prevent giving him new checkbooks for a period to be determined by it The Public Prosecution shall communicate this order to all banks.

Article 538: The sanctions prescribed for the crimes defined in article 533, 534, and 535 of this law shall be inflicted on whoever commits outside

Egypt (aboard) a deed rendering him a perpetrator or accomplice in one of these crimes, in connection with a check drawn on a bank in Egypt, even if this deed is non-punishable in the country where it was committed.

Article 539: A check bearer who lodges a civil case in the criminal prosecution which is brought according to article 534 of this law, may request a court ruling to pay him the unpaid portion of the check amount. The provisions on the collateral civil case shall apply to this request.

Chapter—4

Common provisions

Article 540: The non-acceptance or non-payment protest shall be drawn up according to the rules prescribed in the Civil and Commercial Procedure Law for bailiffs papers in the domicile of the obligor committed to accept or honour the commercial paper, or in the last domicile known to him.

Article 541: The protest shall comprise, in addition to the data that should be mentioned in the bailiffs' papers, a textual copy of the commercial paper and of all contents thereof concerning its acceptance, endorsement, and alternative guarantee, as well as the payment of its amount whenever necessary, and other such data. The protest shall also comprise a notice to accept or honor it, the reasons for refrain from them, the inability to set the signature, or refraining therefore, and the amount paid of the paper value in

case of partial payment.

Article 542: No other paper shall stand for the protest except in the case prescribed in the law.

Article 543: 1- The bailiff charged to effect the protest shall leave a copy thereof with the one towards whom the protest is drawn up.

2- The bailiffs shall record the protest papers fully and completely, day by day, along with observing the order of their dates, in a special register to be regulated by virtue of a decree to be issued from the Minister of Justice.

Article 544: 1- During the first ten days of each month, the bailiffs office shall send to the Commercial Register Office, within the circuit of which lies the place for Protest editing, a list of the non-payment protests drawn up thereby during the previous month concerning the accepted drafts and promissory notes.

2- This list shall comprise the following data:

A. The protest date.

B. Name, profession, and domicile of the draft owner.

C. Name of the party drawing up the promissory note, or name, profession, and domicile of the draft acceptor.

D. Maturity date.

E. Amount of the draft or promissory note.

F. Summary of the reasons of refrain from payment as mentioned by the debtor at the time of writing the protest.

3-The Commercial Register Office shall hold a register in which to record the data mentioned in the previous clause which person may obtain for a fee. The Commercial Register Office shall issue a bulletin comprising these data. The public union of the Egyptian commercial chamber publishes these data in judgments newspaper by which it issued

Article 545:1- If the maturity data of the commercial paper corresponds to an official holiday, or to the weekly holiday in the establishment of the debtor, no claim shall be made for payment of the paper except on the following working day.

2- No procedure connected with a commercial paper shall be taken to present it *for* acceptance or payment, or for drawing up the protest, except on a working day.

3-If for carrying out any procedures connected with a commercial paper, a time was appointed and its last day corresponded to an official holiday or the weekly holiday in the establishment of the debtor, the time shall extend to the following day.

4-For each time, the holidays that happen to fall within it shall be computed.

5-Each trader shall announce in a prominent place in his establishment, the weekly holiday in the establishment, otherwise the holiday shall be presumed to be on Friday every week.

Article 546: In computing the legal times, or the Convention On Commercial Paper, the first day thereof shall not be included, and the time shall be completed with the close of the last day thereof.

Article 547: The courts shall not grant a period for honouring the commercial paper, or for carrying out any procedures relate⁴ thereto except in cases and within the limits prescribed in the law.

Article 548:1- In the cases where the law requires affixing the signature on the commercial paper, the personal seal or the fingerprint may stand for that signature.

2-In all cases, the signature shall be legible, or with the name and surname (family name) of the signatory that can easily be recognized, otherwise the cowl may consider the signature as null and nonexistent.

3-If two witnesses testify in the commercial paper or in the allonge annexed to it that the person holding the seal or using his fingerprint has stamped it with his seal or used his fingerprint before them, and that he is aware of the content of the obligation, the signatory shall not then claim ignorance of the said of the obligation, the signatory shall not then claim ignorance of the said content, with the exception of the cases of deception and coercion.

Article 549: The creditor's acceptance of receiving a commercial pa. per in settlement of his debt shall not result in renewing that debt unless it transpires clearly that the contracting parties' intention is aimed at this renewal.

Part v Bankruptcy and composition

Chapter—I

Declaration Of Bankruptcy

Article 550: 1- every trader who by virtue of the provisions of this law is bound to hold commercial books shall be considered in a state of bankruptcy if he stops paying his commercial debts following disturbance of his financial affairs.

2- Discontinuance of payment shall produce no resultant effect before a court ruling is pronounced declaring him bankrupt, unless otherwise prescribed in the law.

Article 551: 1- A trader may be declared bankrupt after his death or after retiring from trade activities, if he died or retired from trade while in a state of discontinued payments. The request for declaration of bankruptcy shall be submitted during the year following the death or retirement from trade business. This period shall not begin to apply, in case of retiring from trade, except from the date of deleting the name of the trader from the Commercial Register.

2- The successors to the trader may request declaring his bankruptcy after his death, subject to the duration mentioned in the previous clause. If some successors object to the declaration of bankruptcy, the court shall listen to their statements, then issue a final decision in the request pursuant to the interests of the parties concerned.

3- The initiatory pleading for declaration of bankruptcy shall be announced, in case of the trader's decease, to the successors in their totality, in the last domicile of the deceased.

Article 552: A trader shall be declared bankrupt upon his request, the request of one of his creditors, or that of the Public Prosecution. The court may pass its ruling *for* declaration of his bankruptcy, *motu proprio* (of its own).

Article 553: 1- The trader shall request to be declared bankrupt within fifteen days from the date he discontinues paying. The request shall be lodged in an initiatory pleading to be deposited with the Clerk's Office of the payment, and shall attach thereto the following documents:

A. The main commercial books.

B. copy of the last balance sheet account and the profit and loss account

C. A total statement of personal expenditures for the two years prior to submitting the request *for* declaration of bankruptcy, or for the period of his trade activity if less than two years.

D. A detailed statement of the realty and movables he owns their approximate value at the date he discontinues paying, and the cash amount deposited in his name with the banks whether in Egypt or abroad.

E. A statement of the creditors, their addresses, the amounts of their rights or debts, and the insurance guaranteeing them.

F. A statement of the protests drawn up against the trader over the two years prior to the date the bankruptcy declaration request was submitted.

2. The documents referred to in the previous shall be dated and signed by the trader. If it is practically difficult to submit some of these documents, or fulfill their data, the reasons for that should be explained.

Article 554:1- Each creditor of a due commercial debt, free from litigation (dispute) shall have the power to request a court ruling for declaration of the bankruptcy of his debtor trader. The creditor of a due civil debt shall have this right if establish that the trader has discontinued honouring his due commercial debts in addition to his civil debt.

2-The creditor of a time debt shall have the right to request declaring the bankruptcy, if his debtor trader does not have a known domicile in Egypt, resorts to fleeing, closes down his trading store, embarks on liquidating it, or carries out acts that are harm flit to his creditors, providing the creditor shall submit proof that the debtor has discontinued honouring his due commercial debts.

3-The creditor shall request the court to declare the bankruptcy of his debtor by virtue of an initiatory pleading to be deposited with the clerk's office of the competent court, accompanied by evidence that he deposited the amount of the thousand pounds in trust with the court treasury, for account of publication expenses of the bankruptcy declaration ruling. In this pleading he shall request taking the necessary preventive procedures, and indicate there in the conditions from which evidence is established on the debtor's discontinuance of paying his debts. The clerks' office of the court shall determine the nearest session for examination of the case and for serving the notice on the debtor.

Article 555: The trader shall not be declared bankrupt because of discontinuing the payment of the criminal fines, taxes, duties, or social insurance due on him.

Article 556:1- If (he Public Prosecution requests declaring the bankruptcy of

the trader, or if the court, decides, of its own, declaring him bankrupt. the clerk's office shall serve the notice on him, on the day of the session.

2-In case of the trader's death or retirement from the trade business, the court may not, of its own, or upon the request of the Public Prosecution, consider declaring him bankrupt after the lapse of the period referred to in the first clause of article 551 of this law.

Article 557: The clerks' office shall notify the Public Prosecution of the request for declaration of bankruptcy. The failure of the Public Prosecution to attend or to express its opinion shall not prevent pronouncing a court ruling in the bankruptcy action.

Article 558: The court concerned with examining the bankruptcy case may order taking the necessary arrangement to preserve or manage the property of the debtor until the court pronounces a final decision in the case. The court may also take such procedures as shall enable it to become aware of debtor's financial conditions and the reasons for discontinuing his payment.

Article 559: 1- The court of first instance within the circuit of which the commercial domicile of the debtor lies is concerned with declaring the bankruptcy. If the trader does not have a commercial domicile, the concerned court shall be the one within the circuit of which his ordinary domicile is located.

2-Subject to the provisions of bilateral or multilateral international conventions in force in Egypt, a trader having a branch or agency in Egypt may be declared bankrupt even if no ruling is pronounced declaring him bankrupt in a foreign country. In this case, the court concerned with declaring the bankruptcy in Egypt shall be the court within the circuit of which the branch or the agency lies.

Article 560:1- The court declaring the bankruptcy shall be concerned with examining all court actions consequent upon the bankruptcy.

2- The action shall be considered resultant from the bankruptcy in particular if it is connected with its management, or the final decision requires applying the provisions on bankruptcy. This shall not comprise the actions consequent upon the debts of the bankruptcy by owed third parties or to due to the third parties by the bankruptcy.

Article 561:1- The court shall determine in the bankruptcy declaration ruling a temporary date for discounting the payments. It shall appoint a trustee for the bankruptcy, and a judge of the court to be the judge for the bankruptcy. The court shall order placing the seals on the debtor's trade location.

2- The court, in case of necessity, may order taking the necessary proceedings to keep the person of the debtor under custody. The court may not order taking these proceedings in the bankruptcy declaration ruling if the

debtor requests to be declared bankrupt within the time referred to in the first clause of article 553 of this law.

3- The clerks' office shall send to the Public Prosecution a summary of the bankruptcy declaration ruling upon its issuance.

Article 562: 1- If in the bankruptcy declaration ruling the date on which the debtor discontinued paying is not defined, the date on which the bankruptcy declaration ruling is issued shall be considered a temporary date of discontinuing the payment.

2- If the bankruptcy declaration ruling is pronounced after the death of the debtor or after his retirement from trade business, without defining the date of discontinuing the payment, the date of this death or retirement from trade business shall be considered a temporary date of discontinuing the payment.

3- In defining the date of discontinuing payment, the court shall make use of each deed, statement or act issued from the debtor and revealing a disturbance of his works or his attempts to continue his trade activity by illegal means or harmful methods to his creditors. As part of these practices, the debtor's attempt in particular to escape or commit suicide, hide his property or sell them at a loss, or conclude loans with oppressive terms, or enter in irrational speculations.

Article 563: 1- The court may, on its own, or upon the request of the Public Prosecution, the debtor, one of his creditors, the trustee of the bankruptcy or

other interested parties, modify the temporary date of discounting the payment to the lapse of ten days from the date of depositing a list of the funded debts with the clerk's office of the court according to the first clause of the article 653 of this law, and after the lapse of this period the date defined for discounting the payment shall become final.

2- In all cases, the date of discounting the payment shall not be moved back to more than two years prior to the date of issuing the bankruptcy declaration ruling.

Article 564: 1- The clerk's office of the court issuing the bankruptcy declaration ruling shall notify the trustee of the bankruptcy upon issuing the ruling, by registered mail with acknowledgment of receipt, to assume the bankruptcy work.

2- The trustee of the bankruptcy shall register the bankruptcy declaration ruling as well as the ruling modifying the date of discounting the payment, in the commercial register.

3- The trustee of the bankruptcy shall publish the summary of the ruling in a daily newspaper to be appointed by the court for the bankruptcy declaration ruling. The publication shall be made within ten days from the date he is notified of the ruling. The said summary shall comprise, in relation to the bankruptcy declaration ruling, the name and domicile of the bankrupt, his entry number in the commercial register, the court issuing the ruling, the date of its issue, the temporary date of continuance of the payment, the name of the bankruptcy judge, and the name and address of its trustee. The publication shall comprise calling the creditors to submit their debts in the

bankruptcy. In case of modifying the date of discounting the payment, the publication shall comprise, in addition to the said data, the new date defined by the court.

4- The trustee of the bankruptcy shall, within thirty days from the date he is notified of the bankruptcy declaration ruling, record its summary in the name of the group of creditors, in each real estate registration office within the circuit of which lies a realty of the bankrupt. Recording this summary shall not result in any other right to the group of the creditors.

Article 565: 1- Each interested party, other than the litigants, may object to the bankruptcy declaration ruling in the court issuing it, within thirty days from the date of publishing it in the papers, unless it was appealed against in which case the objection shall be raised to the court examining the appeal.

2- Subject to the provisions of the first clause of article 563 of this law, the period for objection to all rulings issued in court actions as a result of the bankruptcy shall be thirty days from the date of their issue, unless they are due for publication in which case the period shall begin from the date of publishing it.

3- The provisions of the Civil and Commercial Procedure Law shall apply to the period for appealing the ruling issued in bankruptcy declaration actions, and other rulings issued in court actions resulting from the bankruptcy and the method of lodging them.

Article 566: The rulings issued in bankruptcy actions shall be due for self-execution without bail, unless otherwise prescribed.

Article 567: No contestation shall be issued in any way against:

A. The ruling or decisions concerning the appointment or replacement of the bankruptcy judge, trustee, or controller.

B. Rulings as issued in objection against the decisions of the bankruptcy judge.

C. Orders as issued canceling the custody proceedings on the person of the insolvent.

E. The rulings issued for staying the bankruptcy proceeding until final decision is taken in the objection Lodged against the bankruptcy judge concerning acceptance or refusal of the debts.

F. The rulings issued concerning acceptance of the litigious debts temporarily.

Article 568: If the debtor settles all commercial debts due on him, before the bankruptcy declaration ruling acquires res judicata force, the court shall cancel the bankruptcy declaration ruling, providing the debtor shall sustain all the action expenses.

Article 569: If at the time of declaration of the bankruptcy, no money is available to meet the expenses of the declaration and publication of the

bankruptcy ruling, setting the seals on or removing them from the property of the bankrupt, or holding the insolvent person under custody, these expenses shall be paid from the trust amount which is deposited by the party requesting the declaration of the insolvency, as prescribed in article 554/3 of this law. The party requesting the declaration of the bankruptcy shall recover the amounts he had paid, by virtue of the lien he enjoys over all creditors, *from* the first money entering the bankruptcy. The bankruptcy judge may also order starting the sale of certain property of the bankruptcy to face these expenses.

Article 570: 1- If the debtor requests to be declared bankrupt, and the court refuses the request, it may pronounce *a* ruling inflicting on him a fine of not less than one thousand pounds and not exceeding five thousand pounds, if it transpires to the court that he intended feigning the bankruptcy. 2- If a creditor requests declaring the bankruptcy and the court refuses his request it may rule inflicting on the creditor the fine prescribed in the previous clause, and publishing the ruling at his expense in the papers it defines, if it transpires to the court that he premeditated harming the goodwill of the debtor, subject to the debtor's right to claim compensation.

CHAPTER -2

PERSON MANAGING THE BANKRUPTCY

Article 571: 1- In a bankruptcy ruling, the court shall appoint a proxy for management of the bankruptcy, called 'bankruptcy Trustee'. 2- The bankruptcy judge may, at all times, order, of his own or at the request of the bankrupt or the controller, adding one or more trustees, providing

their number shall not be more than three.

3- The competent minister shall issue a decree regulating the profession of bankruptcy trustees.

Article 572: 1- A person who is spouse to the bankrupt or a relative up to the fourth degree, or has been a partner, employee, accountant, or agent of the bankrupt during the two years prior to the declaration of the bankruptcy shall not be appointed a trustee for the bankruptcy.

2- A person, against whom a ruling was issued convicting him of a murder or an offense involving moral turpitude or a misdemeanor against honor or trust, shall not be appointed a trustee for the bankruptcy.

Article 573:1- The bankruptcy trustee shall manage the property of the bankruptcy and maintain it. He shall be deputed for the bankrupt in all actions and works necessitated by this management.

2- The bankruptcy trustee shall record, day by day, all works related to the management of the bankruptcy, in a special book with numbered pages signed or stamped by the bankruptcy judge who shall affix at the end of the book an annotation marking its end.

3- The court, the bankruptcy judge and the controller may view and inspect this book at all time, So the bankrupt may also view and inspect it by permission from the bankruptcy judge.

Article 574:1- If there are :multiple trustees for the bankruptcy, they shall work collectively and account jointly for their management of the bankruptcy.

2- The bankruptcy judge may distribute the work among them or commission one of them to perform a specified work. In this case, the bankruptcy trustee shall not be accountable except for the work he is charged to perform.

3- The bankruptcy trustees may delegate each other in performing the works assigned to them. They may not delegate third parties except with permission from the bankruptcy judge. In this case, the bankruptcy trustee and his delegate shall be responsible jointly for the said works.

Article 575: The bankrupt and the controller may lodge their objection with the bankruptcy judge against the works of its trustee before their completion. This objection shall result in discontinuing the performance of work. The bankruptcy judge shall issue his final decision in the objection within five days from the date it is submitted. The decision of the bankruptcy judge shall be executable forthwith.

Article 576: The court may, on its own or upon the request of the bankruptcy judge, the bankrupt, or the controller, rule for isolating the bankruptcy trustee and appointing another or reducing the number of trustees in case of their multiplicity.

Article 577:1- The remuneration and expenses of the bankruptcy trustee shall be determined by a decision of the bankruptcy judge, after the trustee submits a report on his management.

2- The bankruptcy judge may order the payment of amounts to the bankruptcy trustee before the submission of the report referred to in the previous clause, deductible from his remuneration.

3- All person concerned may challenge, in court, the decision of the bankruptcy judge concerning the assessment of the remuneration and expenses of the bankruptcy trustee.

Article 578: 1- The Bankruptcy judge, in addition to the powers prescribed for him by special provisions, shall assume the control of the management of the bankruptcy, supervision of its proceedings, and taking necessary arrangement to preserve its property and funds.

2- He shall call the creditors to convene in the cases prescribed in the law, and chair the meetings.

3- He shall submit to the court every three months a report on the status of the bankruptcy, and another on each dispute connected with the bankruptcy if its settlement falls within the jurisdiction of the court.

4- He shall have the power at all time to summon the bankrupt, his successors, his agent, or his employees, or any other person to hear their state-ments in the bankruptcy affairs.

Article 579: The decision issued by the bankruptcy judge shall be deposited with the clerk office of the court on the day next to the issuing it. The judge shall order the clerk office to notify them to the person specified thereby. This notification shall be by registered letter with acknowledgement of receipt, unless otherwise prescribed in the law or the bankruptcy judge orders notifying them in another way.

Article 580: 1- The decisions issued by the bankruptcy judge may not be challenged, unless otherwise prescribed in the law, or the decision exceeds his power.

2- The challenge shall be submitted in an initiatory pleading to be deposited with the clerks' office of the court, and be announced to be concerned parties within ten days from the date of depositing it, or of its notification according to each case. The court shall examine the challenge in its first session, providing the bankruptcy judge whose decision is challenged shall not participate in this challenge. The challenge shall stay the execution of the decision until the court issues a final decision in respect thereof, unless it orders continuing the execution of all decision.

3-If the court refuses the challenge, it may pronounce a ruling imposing on the petitioner a fine of not less than five hundred pounds and not exceeding two thousand pounds if it transpires to it that he premeditated obstructing the implementation of the bankruptcy judge's decision.

Article 581 1- The court may, at all time, replace the bankruptcy judge by substituting another from the court judges.

2- In case of temporary absence, the president of the court shall appoint one of its judges to deputize for the bankruptcy judge.

Article 582: 1- The bankruptcy judge shall appoint one or more controllers among the creditors who nominate themselves for that.

2- The bankrupt and each creditor may object to the decision of the bankruptcy judge concerning the appointment of the controller, without this objection staying the implementation of the decision. The objection shall be submitted to the bankruptcy judge himself who shall issue a decision in it summarily .

Article 583: The controller or the representative of the juridical person appointed as controller shall not be spouse to the bankrupt, or a relative thereof up to the fourth degree.

Article 584: 1- The controller, in addition to the powers prescribed therefor by special provisions, shall examine the balance sheet account and the report submitted by the debtor, and other such tasks as shall be assigned to him by the bankruptcy judge, concerning control on the works of its trustee, and shall assist the bankruptcy judge in that.

2- The controller may request from the bankruptcy trustee clarifications on the development of its proceedings, its revenues and expenses, and the status of the prosecutions related thereto.

Article 585: 1- The controller shall not receive a salary for his work. However, the court may decide granting him a total bonus for his work if he exerts an unusual effort, and the financial condition of the bankruptcy allows doing so.

2- The controller may be removed by a decision of the bankruptcy judge.

3- The controller shall only be accounted for his serious error.

CHAPTER -3

BANKRUPTCY EFFECTS

1- Bankruptcy Effects In Relation To the Debtor.

Article 586: 1- The court, upon the request of the bankruptcy judge, the Public Prosecution, the bankruptcy trustee or the controller, may in case of necessity order placing the bankrupt person under custody or prevent him from leaving the country for a determined renewable period. The bankrupt

may complain from that order, without resulting in staying the execution.

2- The court may decide at all times to cancel the order of the custody on the bankrupt person, or the order preventing him from leaving the country.

Article 587: - The bankrupt shall not absent himself from his domicile without notifying the bankruptcy trustee in writing about the address of his whereabouts. Nor shall he change his domicile except with a permission from the bankruptcy judge.

Article 388: 1- A person declared bankrupt shall not be a voter or member of the parliamentary councils, local councils, the chambers of commerce or industry or the professional unions. He shall not be a director or member on the Board of any company, nor shall he work in banks activities, commercial agencies, import and export works, or brokerage in selling or buying securities, or selling by public auction, unless he is rehabilitated.

2- Whoever is declared bankrupt shall not deputize for a third party in running his property. However, the competent court may permit him to manage his minor children's property, if no ensues there-from.

Article 589: 1- The mere issue of the bankruptcy declaration ruling shall fetter the hands of the bankrupt from managing and disposing of his property. The dispositions made by the bankrupt on the day the bankruptcy declaration ruling is issued shall be considered as made after issuing the ruling.

2- If the disposition is not to be used as evidence vis-à-vis third parties except by entry, registration, or other proceedings, it shall not apply to the group of creditors unless the proceeding took place before issuing the bankruptcy declaration ruling.

3- Fettering the bankrupt's hand from managing and disposing of his property and funds shall not prevent him from taking the necessary procedures toward maintaining and preserving his rights.

Article 590: 1- After the bankruptcy declaration ruling is pronounced a bankrupt, shall not settle his debts, nor receive his due rights.
2- However, if the bankrupt holds a commercial paper, its value may be settled to him at its due date, unless the bankruptcy trustee objects to such settlement according to article 431 of this law.

Article 591: After the bankruptcy declaration ruling is pronounced, no clearing arrangements shall take place between the bankrupt's due rights and his obligations unless a link connects them together. This linkage exists particularly if the rights and obligations arise from one source, or a current account comprises them.

Article 592: 1- Hand binding shall comprise all property owned by the bankrupt on the day the bankruptcy declaration ruling is pronounced, and the

property of which the ownership devolves to him while he is in a state of bankruptcy.

2.. However, hand binding shall not comprise the following:

A-The property on which no attachment is legally permissible, and the allowance determined for the bankruptm.

B- Property owned by other than the bankrupt.

C. Rights connected with the person of the bankrupt or his personal status.

D. Compensations payable to the beneficiary in a valid insurance policy concluded by the bankrupt before the issue of the bankruptcy declaration ruling. However, the beneficiary shall refund to the bankruptcy all insurance premiums the bankrupt paid from the date the court appoints to discontinue the payment, unless otherwise prescribed in the law.

Article 593: If an estate devolves to the bankrupt, his creditors shall have no rights thereon except after the creditors of the legator shall have all their rights on the property. They shall have no rights on the bankruptcy.

Article 594: 1- After the issuance of the bankruptcy declaration ruling, no court action shall be brought by or against the bankrupt, nor shall steps be followed therefor, with the exception of the following:

A. The actions connected with the property and dispositions not included in the hand binding.

B. Actions related to the bankruptcy works that the law allows the bankrupt to carry out.

C. Criminal actions.

The court may permit the involvement of the bankrupt in bankruptcy related actions, It also allow the involvement of the creditor in these actions if he has an interest therein.

3- If the bankrupt files or against a criminal action is filed against him or an action related to his person or his personal status, the bankruptcy trustee shall be involved therein, if it comprises financial claims.

Article 595: - Lf the court ruling is pronounced against the bankrupt after declaration of his bankruptcy, to compensate the harm caused to a third party, the judgment creditor may enter in the bankruptcy with the res judicata compensation unless his connivance with the bankrupt is established,

Article 596: 1- The bankruptcy judge, after hearing the statements of its trustee, may determine an allowance for the bankrupt, to be paid from the bankruptcy funds upon his request or the request of his dependents.
2- The party requesting the allowance and the bankruptcy trustee may

complain about its estimation before the bankruptcy judge, without resulting in staying the payment of the allowance.

3- The bankruptcy judge may at all times, of his own or upon the request of the bankruptcy trustee, modify, the amount of the allowance or order its cancellation. Complaining from this decision may also be raised before the bankruptcy judge himself,

4- The payment of the allowance may be stopped once the composition ratification ruling acquires the res judicata status. If no composition takes place, the allowance shall be discontinued once the merger status is established.

Article 597: Subject to the provisions of article 588 of this law, the bankrupt may, without permission, exercise a new trade without the funds and property of the bankruptcy. The creditors whose debts are realized on the occasion of this trade shall have precedence in receiving their rights from its funds and property.

Article 598: The following disposals shall not be insisted upon vis-à-vis the group of creditors, if the debtor fulfils them after the date of discounting the payment and before issuance of the bankruptcy declaration ruling:
A. Granting the donations, whatever their kind is with the exception of small presents offered according to usage and practice.

B. Settling the debts before their maturity date, whatever the method of settlement. Establishing a consideration amount for settlement of a commercial paper not yet maturing shall be considered as good as settlement before the maturity date.

C. Settling the due debts with other than the object agreed upon. Payment by means of the commercial paper, or bank transfer shall be considered as good as settlement with money.

D. All *pawns* or other consensual deposit, as well as all Hen to be determined on the debtor's property as a guarantee for a debt prior to the deposit.

Article 599: A court ruling may be issued for non-execution of all disposals by the bankrupt, other than those mentioned in article 598 of this law, during the period referred to therein, vis-à-vis the group of creditors, if the disposal is harmful to it and the party disposed to was at the time of that disposal, aware of the bankrupt's discontinuance of payment.

Article 600: If the value of a commercial paper is paid after the date of discounting the payment, and before the bankruptcy declaration ruling, the amount paid to the bearer shall not be restituted from him, but the drawer or the one for whose account the commercial paper is withdrawn shall be obliged to refund the amount paid, if at the time of establishing the commercial paper he was aware of the bankrupt's discontinuance of

payment. The commitment to refund, in case of the promissory note, shall be that of the first endorser if, at the time he obtains the promissory note, he is aware of the bankrupt's discontinuation of payment.

Article 601:1- A court ruling may be pronounced for non-execution of the pawn, lien, or particular lien rights determined on the debtor's property vis-à-vis the group of creditors, if they were recorded after the date of payment discontinuation, and after the lapse of thirty days from the date of determining the pawn, lien or particular lien.

2- The creditor holding the pawn or lien that comes next to the pawn or lien for which a ruling of non-execution was pronounced vis-à-vis the group of creditors shall acquire the degree of that deposit. However, the said creditor shall not be given from the price accruing from the sale of the property for which the deposit was provided, except what he would obtain for the purpose of exhaustion of the previous pawn or lien, and the difference shall devolve to the group of creditors.

Article 602:1- If a court is pronounced for non-execution of any disposal vis-à-vis the group of creditors, the party disposed to shall refund to the bankruptcy the portion obtained by the bankrupt by virtue of this disposal or the value of the object at the time it was received. He shall also pay the interest on the amounts he received., or its yield from the date of reception

2- The party disposed to shall have the right to retribute the compensation presented thereby to the bankrupt if this compensation itself is found with the bankruptcy. If it is found, the party that was disposed to shall have the right to claim from the group of creditors the benefit accruing thereto from such disposal, and to participate in the bankruptcy in his quality of ordinary creditor with the excess portion in the value of this benefit.

Article 603: The bankruptcy trustee alone may request non-executing the debtor's disposals *vis-à-vis* the group of creditors, if the act took place before the bankruptcy declaration ruling was issued, in accordance with the provisions of the Civil Code. The ruling issued for non-executing that disposal shall apply *vis-à-vis* all creditors, whether their rights were established before or after the occurrence of that disposal.

Article 604: Court actions arising from the application of the provisions prescribed in articles from 598 to 601, and the article 603 of this law, shall abate with the lapse of two years from the date of issuing the bankrupt declaration ruling.

2- Bankruptcy Effects With Regard To The Creditors

Article 605: 1- The ordinary creditors or the general lien creditors shall not, after the court bankruptcy declaration ruling, institute individual cases against the bankruptcy, nor take any judiciary procedures against it

2- the issue of a bankruptcy declaration ruling shall result in discontinuing the individual cases brought by the creditors mentioned in the previous clause, and in staying the execution proceedings that these creditors began

before the bankrupt declaration ruling was issued, However, it a day is determined for selling the realty of the bankrupt, proceedings of execution may continue with permission from the bankruptcy judge.

3- As for mortgagees and those vested with lien and particular lien rights on the debtor's property, they may institute the individual actions or continue therewith vis-à-vis the bankruptcy trustees, They may also levy or continue the execution on the property covered by their deposits.

Article 606: A bankruptcy declaration ruling shall abate the maturity dates of all cash debts due on the bankrupt, whether they are ordinary debts, or debts guaranteed with a general or special lien.

Article 607: A bankruptcy declaration ruling shall stop applying the interests on ordinary debts, with regard to the group of *creditors* only interest on debts guaranteed by pawn, lien, or particular lien shall not be claimed except from the amounts resulting from the sale of property Covered by deposits.

The original debt shall first be discounted, then the interest due before issuing the bankruptcy declaration ruling, and last the interests falling due after issuance of the ruling.

Article 608: The court may deduct from the time debt in which no interest is stipulated, an amount equivalent to the interest payable for the period from the date of the bankruptcy declaration ruling until the maturity date.

Article 609: Participation in bankruptcy may be realized, with the debts conditional upon a dissolving condition, along with offering a warrantor. But debts dependent upon a suspending condition will have their share *ji* the distribution set-aside until revealed the result of the condition.

Article 610: 1- In case of is several obligors for one debt, and one of them is declared bankrupt, this bankruptcy shall produce no effect with regard to the other obligors, unless otherwise prescribed in the law.

2- If a composition is reached with the obligor who became bankrupt, his conditions shall not apply to the other obligors.

Article 611: If the creditor received part of the debt from one of the obligors with one debt, then the rest of obligors became bankrupt, or one of from the non-bankrupt obligor. This obligor may participate in each bankruptcy by what he paid for it.

Article 612:1- If all obligors to one and the same debt become bankrupt altogether, the creditor may participate in each bankruptcy with all his debt until he settles it wholly, comprising the original debt, the interests and the expenses.

2- No bankruptcy may have recourse against another bankruptcy by what it paid for it.

3- If the total amount the creditor obtained exceeds his debt and its auxiliaries, the increase shall return to the bankruptcy of the one guaranteed by the others, according to the order of their debt obligations. If no such order exists, the increase shall return to the bankruptcies that paid more than their share of the debt

3- Bankruptcy Effects Regarding Creditors Of Debts Guaranteed By A Pawn or A Lien On Movable

Article 613:— The names of creditors of the bankrupt, who are holding in the list a legal form a pawn, or particular lien on movable, shall not be included in of the creditors, except as a reminder.

Article 614: The bankruptcy trustee may at all time, and after obtain-ing permission from the bankruptcy judge, pay the debt guaranteed by a pawn and restitute the object pawned for the account of the group of creditors.

Article 615:1- If the pawned movable is sold at the request of the Pawnee for a price exceeding the debt, the bankruptcy trustee shall collect the excess amount for the account of the group of the creditors. If the price is less than the debt, the Pawnee shall participate with the rest owed to him in the bankruptcy in his quality of ordinary creditor providing his debt was verified according to the provisions of this law

2- The bankruptcy trustee may notify the Pawnee by registered mail with acknowledgement of receipt of the necessity of taking legal proceedings to execute on the pawned objects before the end of the state of the Union. If the Pawnee does not take the proceeding necessary, the bankruptcy judge, upon the request of its trustee and after hearing the Pawnee's statement, or notifying him, may permit the bankruptcy trustee to sell the pawned movables. The permission of the bankruptcy judge shall be notified to the Pawnee, and the latter may challenge this decision. This challenge shall result in staying the sale, unless otherwise ordered by the court.

Article 616:1- The bankruptcy trustee, after getting permission from the

bankruptcy judge, within the ten days following issuance of the bankruptcy declaration ruling, out of the bankruptcy 'money and despite the existence of any other debt, shall pay wages, and salaries, and amounts that were due before issuance of the bankruptcy declaration *ruling*, for a period of thirty days for the workers of the bankrupt. If the bankruptcy trustee does not have the money necessary to settle these debts, settlement shall be made from the first money entering the bankruptcy, even if there are other debts preceding them in lien degree 2- Amounts due to the said categories found in excess of the foregoing shall have the legally prescribed lien degree.

617: In case of terminating, the lease of the realty in which the bankrupt exercises his trade, the lessor, according to article 624 of this law , shall have the lien of guaranteeing the rental due to him on the year prior to issuing the bankruptcy declaration ruling, as well as the current ear *if* the movables existing in the leased realty are sold or moved, the lessor shall remain maintaining his lien right.

Article 618: The lien prescribed for the government concerning all kinds of the taxes shall only comprise the tax due on the bankrupt for the two years prior to issuing the bankruptcy declaration ruling. The other due taxes shall be included within the distributions in their quality of ordinary debts.

Article 619: The bankruptcy judge may, upon the proposal of its trustee, order when necessary, using the first money entering the bankruptcy in settling the rights of the creditors who have a lien on the movables of the bankrupt, providing their names are indicated in the final list of undisputed debts as referred to in the first clause of article 655 of this law. If litigation

occurs concerning the lien, settlement shall not be made except after deciding the dispute with a final judgment.

**4- Bankruptcy Effects In Relation To
Owners Of Debts Guaranteed By Pawn Or
Lien or Particular Lien On Realty.**

Article 620: In case the price of realties is distributed before distributing the price of movables, or both distributions take place together, the mortgagees or lien creditors or particular lien creditors who have not received their *right* wholly or partially from the prices of realties burdened with insurance shall have the right to participate with the balance due to them, with the ordinary creditors, in the distribution of property to which the right of the group of creditors is pinned, providing their debts have been verified according to the provisions of this lawm.

Article 621: 1. If one or more distributions of the movables price take place before distributing the price of the realties, the mortgagees, or lien creditors or particular lien creditors shall have the right to participating *in* the distributions with all their debts providing they have been verified according to the provisions of this law. Their share in these distributions shall be set-aside until carrying out the final settlement.

2- After selling the realties and carrying out the final settlement cording to the categorization mortgagees, and lien creditors and ticular lien creditor, those whose category qualifies them to obtain all their

debts from the price of the said realities, may not receive the debt except after deducting the amount set aside for him, and this amount shall be returned to the group of the ordinary creditors.

3- If the class of the mortgagee or lien creditors or particular lien creditors qualified him, only for obtaining part of his debt, he shall have the right to participate in a prorata division with the rest of his due debt. If in effecting the final settlement it transpires that what he obtained and what was said aside for his account exceeds the amount of his due debt, the excess portion shall be deducted and restored to the group of ordinary creditors.

Article 622: The mortgagee or lien creditors or particular lien creditors who do not obtain anything from the price of realities which are burdened with their insurance shall be considered ordinary creditors and in that quality all the effects resulting from the works of the group of creditors and judicial composition if it shall apply to them.

5- Effect of Bankruptcy on Valid Contracts

Concluded Before Its Declaration

Article 623: 1- A bankruptcy declaration ruling shall not result in rescinding the contracts which bind the two sides, and to which the bankrupt is a party, unless they were based on personal considerations.

2- If the bankruptcy trustee does not execute the Contract, Or does not continue its execution, the order Party may demand its rescission. All decisions the bankruptcy trustee take concerning the contract shall be

brought before the bankruptcy judge to authorize it. The other party may appoint to the bankruptcy trustee a suitable period to explain his attitude regarding the contract.

3- The contractiflg party may participate in the bankruptcy as an ordinary creditor, with the compensation resulting from the recession, unless it is specified that the compensation shall maintain the lien prescribed legally thereof.

Article 624: 1-. If the bankrupt is a lessee of the realty in which he exercises his trade, the bankruptcy declaration ruling shall not result in terminatifi8 the lease or maturity of the rental of the period remaining for termination of the lease. All conditions contrary thereto shall be considered as null and non-existence.

2- If the lessor begins execution on the movables existing in the realty, and this execution has not been completed at the time the bankruptcy declaration ruling is pronounced, the execution shall be stayed for a period of sixty days From the date of that ruling, subject to the lessor's right in taking preventing proceedings, and in requesting vacation of the realty according to the general rules and provisions. The bankruptcy judge may order continuing the stay of execution for a period of another thirty days if he deems necessary. The bankruptcy trustee shall notify the lessor of the realty, during the period of stay of execution, of his wish to end or continue the lease.

3-If the bankruptcy trustee decides continuing the lease, he shall pay the

rental arrears and submit an adequate guarantee for payment of the future rental. The lessor may request the bankruptcy judge to terminate the lease if the guarantee is inadequate, within fifteen days from the date he is notified of the bankruptcy trustee's wish to continue the lease.

4- The bankruptcy trustee, after obtaining permission from the bankruptcy judge, may sublet the realty or give up the rental, according to the provisions regulating the owner-tenant relationship, even if the bankrupt is prevented from that by virtue of the lease, providing this step shall not result in causing harm to the lessor.

Article 625: 1- If the employer becomes bankrupt and the labour contract is for an indefinite period, the worker and the bankruptcy trustee may terminate the contract subject to the provisions prescribed in labor laws. The worker may not in this case claim compensation from the bankruptcy unless the termination of his contract is oppressive, or without observing the notification dates.

2- If the labor contract is for a determined period, it shall not be terminated unless it is determined to discontinue the trade. The worker may in this case claim compensation from the bankruptcy.

3- The compensation payable and due to the worker according to the two previous clauses shall have the lien privilege legally prescribed therefor.

6- Restitution

Article 626:1- Each person may retribute from the bankruptcy the objects established to be his property or he has the right of restituting them upon declaration of the bankruptcy.

2- The bankruptcy trustee, after consulting with the controller and obtaining a permission from the bankruptcy judge, may return the object to its owner or the person having the right to retribute it. If he refuses the restitution,. the party requesting it may bring the dispute before the court.

Article 627:1- The objects existing in the possession of the bankrupt by way of deposit, or for selling for the account of its owner, or for delivering to him, may be restituted, providing it is existing in kind i the bankruptcy. The price of goods may also be restituted, if it has not been already settled, in cash, by commercial paper, or by posting it in a current account between the bankrupt and the buyer.

2- The restituting party shall pay to the bankruptcy trustee the rights due to the bankrupt.

3- If the bankrupt had deposited the goods with a third party they may be restituted therefrom.

4- If the bankrupt bad borrowed by mortgaging the goods, and the mortgagee was unaware at the time of instituting the mortgage that the bankrupt was not the owner of the goods, they shall not then be restituted except after settling the debt guaranteed by the mortgage.

Article 628:1- The commercial papers of value that were delivered to the bankrupt for collection or for appropriating them for particular settlement may be restituted if found existing in kind in the bankruptcy and their value has not already been paid.

2- The currency notes deposited with the bankrupt may not be restituted, unless the restitution claimant provides and establishes their description.

Article 629:1- If the sale contract is rescinded by virtue of a court ruling, or a condition in the contract, before issuance of the buyer bankrupt declaration ruling, the seller may retrieve the whole or some of the goods in the bankruptcy, providing it exists in kind.

2- The goods may be retrieved even if the rescission takes place after issuance of the bankruptcy declaration ruling, providing the restitution action or the rescission action as lodged before issuance of this ruling.

Article 630:1- if the buyer becomes bankrupt before paying the price and the goods are still with the seller, he may retain them.

2-If the buyer becomes bankrupt after sending the goods, and before they enter his stores or the store of his agent who is charged to sell them, the seller may retrieve their possession. However, the retrieval may not take place if the goods lose their sameness, or the bankrupt disposes thereof

before their receipt, without deception, by virtue of the title documents or the consignment notes.

3-In all cases, the bankruptcy trustee, after getting permission of the bankruptcy judge, may request the delivery of goods providing he shall pay the price agreed upon to the seller. If the bankruptcy trustee does not request, the seller may insist on his right to rescind the deed and claim compensation and participate with it in the bankruptcy.

Article 631:1- If the buyer becomes bankrupt before paying the price and after entry of the goods in his stores or the stores of his agent who is assigned for selling them, the seller may not request rescinding the sale or retrieve the goods. Also, his lien Tight shall abate.

2-All conditions liable to enable the seller retrieve the goods or maintain his lien Repletion thereon, shall not be used as argument vis-à-vis the group of creditors.

Article 632: retrieval actions, which are directed to the bankruptcy trustee in the cases mentioned in articles 626 to 630 of this law shall prescribe with the lapse of one year from the date of publishing the bankruptcy declaration ruling in the daily newspaper to be specified by the court according to clause-3 of article 564 of this law.

CHAPTER-4
MANGEMENT OF BANKRUPTCY
1- MANGEMENT OF THE BANKRUPTCY ASSETS

Article 633:1- Seals shall be put on the stores, offices, safes, books, papers, and movables of the bankrupt.

2- The bankruptcy judge shall command putting the seals upon issuance of the bankruptcy declaration ruling. He may delegate an officer of the court for this mission. He shall also notify the president of each court within the circuit of which a property of the bankrupt exists, to command seconding an official to put the seals on this property.

3- If it transpires to the bankruptcy judge the possibility of undertaking the inventory of the property of the bankrupt in one day, immediately without need for putting this property under seal.

4- A report shall be drawn up under seal or on the inventory to be signed by the person performing it, and the report shall be handed to the bankruptcy judge.

Article 634: No seals shall be put on the clothes and necessary movables of the bankrupt and his dependants. The bankruptcy judge shall define these objects and deliver them by means of a list to be signed by each of the bankruptcy judge and the bankrupt.

Article 635:1-The bankruptcy judge may, of his own or upon the request of the bankruptcy trustee, command setting the seals on, or removing them from the following objects.

A. Commercial books and registers.

B. Commercial papers and other papers payable soon, or those near maturity, or which need taking proceedings to maintain the rights, established therein.

C. Money necessary for spending on the bankruptcy urgent matters.

D. Objects fast perishable or those exposed to decrease in value or requiring exorbitant expenses for their maintenance and preservation.

E. Things necessary for operation of the store if it is decided to continue on work.

2- An inventory shall take place concerning the object mentioned in the previous clause in the re, the bankruptcy judge or his delegated assignee to handle this issue, and the inventory shall be delivered to the bankruptcy trustee in a list to be signed thereby.

Article 636:1- The bankruptcy judge, upon the request of the bankruptcy trustee, shall command removing the seals to begin making an inventory of the bankrupt's property and funds.

2- Removing the seals and the inventory shall begin within thirty days from the date of issuing the bankruptcy declaration ruling.

Article 637:1- The inventory shall take place in the presence of the bankruptcy judge or one of his delegates therefor, the bankruptcy trustee and the court's clerk. The bankrupt shall be notified thereof and he *may* attend the inventory.

2- The inventory list shall be drawn up in two copies and signed by the bankruptcy judge or the one he delegates therefor, the bankruptcy trustee and the clerk of the court. One of the copies shall be deposited with the clerk's office of the court and the remaining copy shall be kept with the bankruptcy trustee.

3- In the statement shall be mentioned the property on which no seals were put, or from which the seals were removed.

4- An expert may be resorted to in carrying out the inventory and assessing the property.

Article 638: If the bankruptcy is declared after the trader's decease, and no inventory statement was drawn up on the occasion of his death, or if he dies after declaration of his bankruptcy and before beginning to draw up the inventory list or before completing it, the inventory list shall be drawn up

forthwith or continued to. be drawn up in the manner prescribed in the previous article, in the presence of the successors of the bankrupt or after notifying them to attend.

Article 639: The bankruptcy trustee shall, after the inventory, receive the bankrupt's property, books and papers, and confirm that by signing the end of the inventory list accordingly.

Article 640: 1- The commercial books shall not be handed to the bankruptcy trustee except after the bankruptcy judge closes the books.
2- The bankrupt shall be called to attend the session of closing the commercial books. If he does not attend, he shall be called once more to attend within three days from the date of notification, otherwise the books shall be closed in his absence.

3- The bankrupt shall not deputize another person to attend the books closing session, except for reasons to be accepted by the bankruptcy judge.

Article 641: 1- If the bankrupt has not submit the balance sheet account, the bankruptcy trustee shall draw it up and deposit it with the clerks office of the court.

2- The bankruptcy trustee shall receive the correspondence received in the name of the bankrupt, which concern his works, and he may open and keep it. The bankrupt may also review them.

Article 642:1-The bankruptcy trustee shall perform all works necessary to maintain rights of the bankrupt with third parties, and shall claim and secure receiving these rights.

2- He shall record the bankrupt's in kind rights on his debtors' real- ties, if the bankrupt has not recorded them.

Article 643:1-The property of the bankruptcy shall not be sold during the preliminary proceedings period. However, the bankruptcy judge may, upon the request of its trustee, permit selling the easily perishable objects, or due to a fast drop in their value, or those requiring exorbitant expenses for their maintenance. He may also permit selling the bankruptcy property if the sale is necessary to obtain money for spending on *its* affairs, or the sale will realize positive benefit to the creditors or the bankrupt. No permission for sale shall be given in the taller case except after notifying the bankrupt of the sale and hearing his statements.

2- The movable property shall be sold in the manner to be specified by the bankruptcy judge. But, the sale of realities shall take place according to the provisions prescribed in the Civil and Commercial Procedure code concerning the sale of the bankrupt's realties.

3- The decision of the bankruptcy judge for the sale of the bankrupt's

property may be challenged in court, during the period of preliminary proceedings.

Article 644:1- The bankruptcy judge, after consulting with the controller, and hearing the bankrupt's statement or notifying him, may permit the bankruptcy trustee to arrange a composition or accept arbitration in each litigation connected with the bankruptcy, even if it is connected with real rights or prosecutions.

2- If the amount of the dispute is undefined or it exceeds five thousand Egyptian pounds, the composition or acceptance of arbitration shall not be valid except after ratifying its conditions by the bankruptcy judge, and calling the bankrupt to attend the ratification and the bankruptcy judge hears his statements if he attends. His objection shall not have any effect. Challenging the bankruptcy judge's decision shall be in court if the decision is issued refusing the ratification of the composition or arbitration conditions.

3- The bankruptcy trustee shall not waive the rights of the bankrupt, nor acknowledgement a third party's right thereon except according to the conditions prescribed in this article.

Article 645: 1- The bankruptcy judge, upon the request of its trustee or the bankrupt, and upon consulting the controller, may permit continuing the operation of the trading store if it is necessary for the general good, or in the interest of the bankrupt or the creditors.

2- The bankrupt judge, upon the proposal of its trustee, shall appoint and determine the salary of the person who will assume the management of the trading store. The bankrupt may be appointed for management, and the pay he will receive shall be considered a substitute to the allowance.

3- The bankruptcy trustee shall supervise the person to be appointed for management. He shall submit a monthly report on the progress of trade to the bankruptcy judge.

4- The bankruptcy and the bankruptcy trustee may challenge in court the bankruptcy judge's decision refusing to permit the sustained operation of the trading store.

Article 646: In case of the bankrupt's decease, his successors shall act for him in the bankruptcy proceedings. They shall have the right to delegate one of them to represent them in these steps. If they do not reach agreement on that, the bankruptcy judge may, upon the request of its trustee, delegate someone to represent them, and the judge may, at any time, isolate the delegated representative of the successors and appoint another.

Article 647: 1- The amounts collected by the bankruptcy trustee for the account of the bankruptcy shall be deposited with the treasury of the court, or a bank to be appointed by the bankruptcy judge, on the day they are collected, or at most on the next work day to that day. The bankruptcy trustee shall pay a compensation to be determined by the

bankruptcy judge if he delays depositing the collected amounts. He shall submit to the bankruptcy judge a statement of the said amounts within five days from the date they are deposited.

2- These amounts or others that are deposited by third parties for the account the bankruptcy shall not be withdrawn except by order from the bankruptcy judge.

Article 648: 1- The bankruptcy judge may, in case of necessity, and after consulting the controller order that distributions be made to the creditors whose debts are verified, according to a list to be prepared by the trustee and annotated by the bankruptcy judge to proceed with the distribution.

2- The bankrupt and all interested party may challenge, in court, the bankruptcy judge's decision to proceed with distributions to the creditors.

Article 649: 1- The bankruptcy trustee shall submit to the bankruptcy judge, within thirty days from the date he is notified of his appointment, a report on the bankruptcy causes, and the obvious status and conditions of the bankruptcy. The bankruptcy judge may appoint another period for submission of this report. He shall refer the report together with his remarks to the Public Prosecution.

2- The bankruptcy trustee shall submit reports to the bankruptcy judge on the condition of the bankruptcy at periodical dates to be determined by the judge,

Article 650: 1- All creditors, even if their debts are accompanied by special security or confirmed by final court judgment, shall deliver to the bankruptcy trustee, one month after issuing the bankruptcy declaration ruling, the documents of their debts accompanied with a statement of these debts and guarantee deposits if any, and their amount evaluated in the national currency, on the basis of the announced rates of exchange with the Central Bank Of Egypt (selling, closing, transfers, or currency notes), if there are not exchange rates on the day of issuing the bankruptcy declaration ruling. The bankruptcy trustee shall issue a acknowledgement receipt for the delivery of the statement and the debts documents to him.

2- The statement and the documents may be sent by special registered

3- The statement shall comprise appointing an elected domicile in the court circuit for the bankruptcy trustee.

4- The bankruptcy trustee shall return the documents to the creditors after closing down the bankruptcy. He shall be responsible to keep them for a period of one year from the termination date of the bankruptcy.

Article 651: 1- If all the creditors whose names are recorded in the balance sheet account do not submit the documents of their debts during the ten days following publication of the bankruptcy declaration ruling in the papers, the bankruptcy trustee shall immediately publish in the daily newspapers wherein the bankruptcy ruling was published, a call to the creditors to submit their documents accompanied by the statement referred tom the previous article.

2- The creditors shall submit the documents of their debts accompanied by the statement within ten days from the date of publication in the papers. This period shall be forty days with regard to the creditors living abroad. No period for the distance shall be added to either of these two periods' .

Article 652: 1- The bankruptcy trustee shall verify the debts with the assistance of the controller and the attendance of the bankrupt or after notifying him to attend.

2- If the bankruptcy trustee, the controller, or the bankrupt contest the validity of one of the debts, its amount, or its guarantees, the bankruptcy trustee shall notify forthwith to the creditor. The creditor shall submit written or verbal explanations within ten days from the date receiving the notification.

3- The executable debts, which are due to the Government because of the dues and taxes of all kinds, shall not be subject to investigation proceedings.

Article 653: 1- The bankruptcy trustee shall deposit with the clerks office of the court, after completing the verification, a list comprising a statement of its documents, the reasons of contesting them if any, and his view concerning their acceptance or refusal. He shall also deposit a list of the names of creditors who claim having special deposit guarantees on the property and funds of the bankrupt, indicating the amount of their debts, the type of their guarantee deposits, and the property on which they are

prescribed.

2- Depositing this statement shall take place within at most sixty days from the date of publishing the bankruptcy declaration ruling. The period may, whenever necessary, be extended by a decision from the judge of the bankruptcy.

3- Within six days from the date of depositing the statement, the bankruptcy trustee shall publish in a daily newspaper an affirmation of having obtained the said statement and list, and shall send to the bankrupt and each debtor during that period a copy of the list and statement, indicating the amounts he considers to accept of each debt.

4- Interested parties may each review the list and statement deposited with the clerks office of the court.

Article 654: The bankrupt and each creditor whose name is mentioned in the list of debts may contest the debts indicated therein, within ten days from the date of publishing in the newspaper about depositing the said statement. The litigation shall be delivered to the clerks office of the court or sent to it by registered mail with acknowledgement of receipt, or by cable, telex, or fax. The clerks office shall submit it forthwith to the bankruptcy judge. No time for distance shall be added to that period.

Article 655: 1- After the lapse of the time prescribed in the previous article, the bankruptcy judge shall set a final list of uncontested debts, and the bankruptcy trustee shall mark on the statement accompanying the documents

of these debts an annotation affirming its acceptance, and indicating the amount accepted of each debt thereof.

2- The bankruptcy judge may consider the debt as contested, even if no contestation is submitted in respect thereof.

3-The bankruptcy judge shall issue a final decision in the contested debts within thirty days from the expiry date of the contestation period. The clerks office shall notify the interested parties of the session date at least three days before holding it.

Article 656: 1- The decision issued by the bankruptcy judge concerning the acceptance or refusal of the debt may be challenged in court, within ten days from the date of issuing the decision. If the debt amount exceeds the summary court's final quota. The challenge shall not result in staying the bankruptcy proceedings unless the court orders staying them.

2- The court, before deciding the challenge may order accepting the debt temporarily for an amount estimated thereby.

3- The court's ruling for rejection of the debt completely or accepting it shall not be contested.

If challenging the debt is related to its deposit guarantees, it shall be accepted temporarily in its quality of ordinary debt'.

5- The creditor whose debt was unaccepted finally or temporarily shall not participate in the bankruptcy proceedings.

Article 657: 1- The creditors who failed to submit their request within the dates prescribed for the current distributions shall not participate. However, they may contest before the bankruptcy judge pending the end of money distribution. They shall bear the litigation expenses.

2- The litigation shall not result in staying the distributions ordered by the bankruptcy judge. However, the said creditors may participate in the new distributions with the amount estimated temporarily by the bankruptcy judge. Their shares shall be kept for them pending final decision in the litigation.

3- If their debts are established thereafter, they shall not claim shares in the distributions already made. They may however take from the remaining amounts without distributing the shares of their debts that would have devolved to them if they had participated in the previous distributions.

3- Closing The Bankruptcy For Inadequacy Of Property And Funds

Article 658: 1- If the bankruptcy works are stopped *for* inadequacy of property and funds before ratifying the composition or the establishment of the state of the Union, the bankruptcy judge may, on his own, or upon the report of the bankruptcy trustee, order its closure.

2- The bankruptcy closure decision for inadequacy of its property and funds shall result in restituting to each creditor the right to take proceedings and assume the individual cases, against the bankrupt.

3- If the creditor's debt has been finally verified in the bankruptcy, he may levy execution on the bankrupt's property based on a certificate of his debt amount from the bankruptcy judge. This certificate shall be considered as good as final ruling concerning this execution.

Article 659: 1- The bankrupt and interested parties may each request at all time the bankruptcy judge to cancel the bankruptcy closure writ due to the inadequacy of its property, if they establish the existence of adequate property and funds to face the bankruptcy work expenses, or if they deliver to the bankruptcy trustee and adequate amount therefor.

2. The bankruptcy judge may, on his own or upon the request of the bankruptcy trustee, order reopening the bankruptcy and continuing its proceedings.

3- In all cases the expenses of the proceedings that were fulfilled according to the two previous clauses shall be paid by given priority.

Chapter – 5 –

End Of Bankruptcy

1-End Of Bankruptcy For Disappearance Of The Interests

Of The Group of Creditors .

Article 660 : The bankruptcy judge, after setting the final statement of the debts. Referred to in article 655 of this law, may at all time , upon the request of the bankrupt, order terminating the bankruptcy if he establishes that he has settled all verified debts of the creditors in the bankruptcy , or that he deposited with the clerks office of the court , or with the bankruptcy trustee the amounts necessary for settling these debts comprising the original debt, the interests, and the expenses.

Article 661:1-The bankruptcy judge may not order terminating it for disappearance of the interest of the group of creditors, except after reviewing a report from the bankruptcy trustee in which he shows that one of the two conditions referred to in the previous article has been realized.
2-The bankruptcy shall end upon issuing a decision from the bankruptcy judge terminating it for disappearance of the interest of the group of interested creditors, and the bankrupt shall retribute all his rights.

2- Judicial composition

Article 662: 1- The bankruptcy judge, in case the debtor requests a composition, shall order the clerks office of the court to call the creditors whose debts were finally or temporarily accepted, to attend the deliberations in the composition.

2- This invitation, in case no litigation arises for the debts, shall be directed within the five days next to setting the final statement of the debts prescribed in article 655 of this law, and in case any litigation arises, the invitation shall be directed within the fifteen days that follow the expiry of the period for contesting the last decision of the bankruptcy judge concerning acceptance

or refusal of the debts.

3- Within the time prescribed in the previous clause, The bankruptcy trustee shall publish the invitation to attend the composition deliberations in the daily newspaper wherein was published the bankruptcy declaration ruling.

Article 663: 1-The composition assembly shall convene headed by the bankruptcy judge at the place and time determined thereby.

2-The creditors shall attend the assembly personally or represented in writing by mandated proxies, for the composition.

3-The bankrupt shall be invited to attend the assembly. He shall not delegate another to deputize *for* him except for serious reasons acceptable to the bankruptcy judge.

Article 664: 1-The bankruptcy trustee shall submit a report to the composition assembly, on the status of the bankruptcy and the proceedings taken in respect thereof, as well as the proposals of the bankrupt in the composition and the view of the bankruptcy trustee in these proposals.

2- The report of the bankruptcy trustee shall be read out in the composition assembly, and shall be delivered signed thereby to the bankruptcy judge. The statements of the bankrupt shall be heard, if he attends, and the bankruptcy judge shall draw up a report on the decisions of the assembly .

Article 665: 1-The composition shall not take place except with the approval of the majority of creditors whose debts were finally or temporarily accepted, providing they shall be holders of two thirds of the value of these

debts. In these two majorities, the creditors who did not participate in voting shall not be counted, nor shall their debts be counted.

2- No voting on composition shall take place by correspondence.

Article 666: 1-The bankrupt's spouse and relatives up to the second degree shall not participate in the composition deliberations, nor shall they vote on its conditions.

2- If one of those creditors referred to in the previous article assigns his debt to a third party after pronouncement of the bankruptcy declaration ruling the assignee may not then participate in the composition deliberation or vote thereon.

Article 667: 1-Creditors, with in kind security deposits as prescribed on the funds and property of the bankrupt, may not participate in voting on composition, supported by their debts, which are guaranteed by the said security deposits, unless they renounce these security deposits in advance.

Such renouncement may be restricted to part of the security deposit providing it shall not be less than the equivalent of one third of the debt. The renunciation shall be mentioned in the minutes of the session.

2- If one of the creditors mentioned in the previous clauses participates in voting for composition without indicating that he assigned his security deposit wholly or partially, he shall be considered as assigning the whole deposit guarantee.

3- In all cases, Assigning the security deposit shall not be final unless the composition has been arranged and the court ratifies it.

4 If the composition is annulled, the security deposit included in the assignment shall be restituted.

Article 668: 1-The composition report shall be signed in the session that witnessed voting on it, otherwise it shall be null and void.
2- If one of either majorities as prescribed in article 665 of this law, the deliberation shall be postponed only once for a period of ten days.
3- The creditors who attended the first meeting or were represented in it and signed the composition report may not attend the second meeting. In this case, their approval of the composition as given during the first meeting shall remain existing and valid in the second meeting, unless they have attended this meeting and reserved or modified their previous approval, or the debtor has introduced a substantial modification to his proposals concerning composition during the period between the two meetings.

Article 669: No composition shall be held with a bankrupt against whom a court ruling was issued inflicting a penalty to bankruptcy by fraud. If investigation begins with the bankrupt in a crime of bankruptcy by fraud, consideration of the composition shall be postponed.

Article 670: A court judgment inflicting the penalty to bankruptcy with omission shall not prevent reaching a composition therewith. If investigation begins with the bankrupt, in a crime of bankruptcy with omission, the

creditors may consider reaching a composition with him or postpone considering it.

Article 671: 1-The composition may comprise granting the debtor a time for settling the debts. It may also comprise clearing him of part of the debt obligation.

2-The composition may be concluded providing settlement is fulfilled if the debtor grows wealthy within a period to be determined in the composition contract, providing this period shall not exceed five years from the date of ratifying the composition. The debtor shall not be considered as growing wealthy unless the value of his assets has exceeded his debts by the equivalent of at least ten percent .

3-The creditors shall have the choice of stipulating the introduction of one or more warrantors to guarantee implementing the composition conditions.

Article 672:1- Every creditor having the right of participating in concluding the composition may advise the bankruptcy judge in writing of the objection he has to the composition and his reasons therefor, within ten days from the date of signing the composition report.

2-The bankruptcy judge shall, within three days from the expiry date of the period prescribed in the previous clause, send the composition report to the court which declared him bankrupt, to ratify the composition, along with a report from the judge on the status of the bankruptcy, and his view on the

composition conditions, in addition to an indication of the objections made to the composition and reasons thereof.

Article 673:1- The clerks office of the court shall notify the bankrupt and the creditors who presented objections to the composition, of the session scheduled date to look into these objections and request for ratification of the composition.

2-The court shall pronounce a final decision in the objections and the request for ratification of the composition, in one Court ruling which shall be final whether accepting to ratify the composition or refusing its ratification.

3-The court may refuse ratifying the composition, even if no objection has been submitted in respect thereof, if it finds reasons related to general interest, or if the interest of the creditors justifies the refusal.

4-The court shall appoint in its ruling for ratification on the composition, one or more controllers to supervise the implementation of the composition conditions.

5-If the court refuses the objection made to the composition, it may pronounce a judgment inflicting on the objector a fine of not less than one thousand pounds and not exceeding five thousand pounds, if it transpires he premeditated delaying the conclusion of the composition.

Article 674: The composition conditions shall apply to the creditors of whom the group of creditors is formed, even though they have not

participated in the composition proceedings, or participated and did not agree to it.

Article 675:1-The court ruling issued ratifying the composition shall be declared in the same manner the bankruptcy ruling is declared. The summary to be published in the papers shall comprise the name of the debtor, his domicile, his entry number in the commercial register , the date of the composition ratification ruling and a summary of the most important conditions of the composition .

2-The bankruptcy trustee shall, within ten days from the date of issuing the ruling concerning the ratification of the composition, record its summary in the name of the composition controller, in his quality of proxy for the creditors in each real estate registration office within the circuit of which lies the realty of the bankrupt. This entry shall result in establishing a mortgage on the said realties to guarantee the rights of the creditors to whom the composition shall apply, unless otherwise agreed upon in the composition. The controller shall delete the mortgage after implementing the conditions of the composition.

3-The bankruptcy trustee shall, within the duration mentioned in the previous clause, record a summary of the ruling issued for the ratification of the composition, in the name of the controller, in his quality of proxy for the creditors at the commercial register office within the circuit of which the trading store of the bankrupt lies, and also in each office for the said register

within the circuit of which the bankrupt has a branch, office, or agency. This registration shall result in establishing a mortgage on the trade store to guarantee the rights of the creditors to whom shall apply the composition, unless otherwise agreed upon in the composition. The controller shall delete the mortgage after implementing the composition conditions. The provisions concerning the trade store mortgage shall apply in respect of this mortgage.

Article 676:1- With the exception of abatement of the rights referred to in article 588 of this law, all bankruptcy effects shall disappear with the issue of the ruling concerning the ratification of the composition.

2-The bankruptcy trustee shall submit to the bankrupt a final account and this account shall be discussed in the presence of the bankruptcy judge.

3-The assignment of the bankruptcy trustee shall terminate, and the bankrupt shall receive his property, funds, books, and papers from him, by the virtue of a receipt. The bankruptcy trustee shall not be accountable for these objects if the bankrupt does not receive them within one year from the date of approval of the closing account.

4-The bankruptcy judge shall draw up a report on all the foregoing, and if litigation arises, he shall decided it.

Article 677:1-The composition shall be invalidated f after its ratification , a court ruling passed indicatin the bankrupt in one of the bankrubctcy with fraud crimes .

2- A composition shall as well be invalidated if; after its ratification, fraud is established to have existed by hiding the assets of the bankrupt or exaggeration of his debt In this case, the request for invalidating the composition shall be submitted within six months from the day the fraud is detected, otherwise the request shall be unacceptable. In all cases, the request for invalidating the composition shall not be acceptable if submitted after the lapse of two years from the date of ratifying the composition.

3- Nullification of the composition shall result in clearing the obligation of the warrantor who guarantees the implementation of the composition conditions.

4- The court that passed the bankruptcy declaration ruling shall be concerned with examining the action for nullification of the composition.

Article 678: If an investigation is initiated with the bankrupt in a fraudulent bankruptcy crime after ratification of the composition, or if the criminal action is brought against him in this crime after ratification of the composition, the court that passed the bankruptcy declaration ruling may, upon the request of the Public Prosecution or each interested party, order the adoption of arrangements necessary for maintenance of the debtor's property and Rinds. These arrangements shall be annulled by rule of the law, if it is decided that an investigation is labl filed record, or determined that there is no reason for lodging the case or passing a judgment acquitting the bankrupt.

Article 679:1-If the bankrupt Fails to implement the composition conditions, a request for its rescission may be submitted to the court that issued the bankruptcy declaration rule.

2- The rescission of composition shall not result in clearing the obligation of the warrantor who guarantees the implementation of its conditions. This warrantor shall be charged to attend the session in which the request for rescinding the composition will be examined.

Article 680:1-In the ruling passed for invalidating or rescinding the composition, the court shall appoint a bankruptcy judge and trustee for it. The court may also order the seals to be placed on the property and funds of the bankrupt.

2- The bankrupt trustee, within five days from the date of issuing the ruling that invalidates or rescinds the composition, shall publish a summary of that ruling in a daily newspaper to be defined by the bankruptcy judge .

3-The bankruptcy trustee, in the presence of the judge or his assigned delegate, shall effect a supplementary inventory of the bankrupt's property and funds, and works out an additional balance sheet statement.

4-The bankruptcy trustee shall invite all the new creditors to submit their debt documents to verify them according to proceedings of verification debts.

5-The new debts shall be verified immediately without refunding the debts that were already accepted. However, the debts that were paid in full shall be discarded, and the debts that were paid partially shall be reduced.

Article 681:1-Disposals made by the debtor after ratification of the composition and before nullifying or rescinding shall apply vis-à-vis the

creditors. The creditors may not request these disposals to be non-executed toward them, except according to the provisions prescribed in article 237 of the Civil Code.

2-The action for non-execution of disposals, as prescribed in the previous clause, shall abate with the lapse of two years from the date of nullifying or rescinding the composition.

Article 682:1-After nullifying or rescinding the composition, the debts of the creditors shall be restituted in full to them, with regard to the bankrupt alone.

2-These creditors shall participate within the group of creditors, with their full original debts if they have not received anything yet of the amounts determined for them in the composition, otherwise their original debts shall be reduced by the measure they have received from the said amounts.

3-The provisions prescribed in the two previous clauses shall apply in case of the debtor's bankruptcy once again declared before a ruling is passed nullifying or rescinding the composition.

3- Composition with Dereliction.

Article 683:I-A composition may be held providing the debtor shall give up all or part of his property *for* sale and for distributing the relevant price to the creditors .

2- the provisions on judicial composition shall be followed in connection with the present composition terms , effects,nullification,and rescission.

However the debtor shall remain prohibited from disposing of and managing his direct property.

3-The debtor's derelict property shall be sold and its price shall be distributed according to the rules prescribed for selling and distributing the property of the bankrupt in case of the Union.

4-If the price resulting from selling the debtor's derelict property exceeds the debts claimed from him, the excess amount shall be refunded to him.

4-Union Of Creditors

Article 684:Creditors shall be in a state of 'Union' by the rule of law in the following cases:

- A. If the debtor does not request a composition.
- B. If the debtor requests a composition and the creditors refuse it or the court refuses to ratify it.
- C. If the debtor obtains the composition then it is nullified.

Article 685:1-The bankruptcy judge shall call the creditors, soon after the establishment of the state of 'Union', to deliberate the bankruptcy affairs and look into keeping or changing the bankruptcy trustee. In this stage he shall be called the Union Trustee. The creditors who have in kind security deposits prescribed on the bankrupt's property may participate in these deliberations and vote without consequent abatement of their security deposits.

2- If the majority of attending creditors decide changing the bankruptcy

trustee, the bankruptcy judge shall appoint another trustee forthwith.

3- The former bankruptcy trustee shall submit to the Union trustee within the date specified by the bankruptcy judge and in his presence, an account on his management, and shall notify the debtor of the date the account will be submitted.

Article 686:1-The creditors' view shall be taken during the meeting prescribed in the previous clause, in the subject of determining a subvention from the bankruptcy property for the bankrupt or his dependants..

2-if the majority of attending creditors decide determining the subvention for the bankrupt his dependants , the bankruptcy judge after consulting the union trustee and the controller , shall determine the amount of the subvention .

3-The Union trustees, exclusively, may challenge in court the bankruptcy judge's decision concerning the determination of the subvention amount. En this case, half the subvention shall be paid to him pending final decision in the contest.

Article 681:1-The Union trustee shall not continue in the debtor's trade, even if he is authorized beforehand to do that, except after obtaining a mandate to be issued with the majority of three fourths of the creditors, in number and in value of debts. The mandate shall indicate its duration, the power of the Union trustee, and the amounts he may keep on his hands to operate the trade.

2-The mandate to continue in the trade may not be implemented except following its ratification by the bankruptcy judge.

3-If continuing in the trade results in obligations exceeding the Union's property, the creditors who agreed to continue in the trade shall be accountable with their own property, but not jointly for the increase, providing they shall result from works lying within the limits of the mandate issued by them. The responsibility of each creditor shall be in proportion of his respective debt.

Article 688:1-The Union trustee may sell the movables and trading store of the bankrupt and fulfilling any rights due to him, but the sale of the bankrupt's realties shall only take place with permission from the bankruptcy judge.

2-If no execution has begun to be levied yet on the realties of the bankrupt before instituting the state of the Union, the Union trustee solely shall have the right of execution thereon. I-Ic shall begin the execution within the ten days following the emergence of the Union status, unless the bankruptcy judge orders the postponement of execution.

3-The Union trustee may consent to composition and accept the arbitration in all rights of the bankrupt subject to the provisions prescribed in article 644 of this lawW.

Article 689:1-Selling the movables of the bankrupt shall take place in the manner defined by the bankruptcy judge.

2- Selling the realties shall be according to the provisions prescribed in the Civil and Commercial Procedure Code concerning the sale of the bankrupt's realty .

3- The Union trustee shall not sell the bankruptcy assets altogether against a total amount, except after getting permission from the bankruptcy judge.

4- Interested parties may each challenge the decision of the bankruptcy judge regarding the determination of the method of selling the movables of the bankrupt or the permission to sell his property altogether against a global amount. This challenge shall result in staying the execution of the decision, unless otherwise ordered by the court.

Article 690:1- The Union trustee shall deposit the amounts resulting from the sale of the bankrupt's property in the treasury of the court or with a bank to be defined by the bankruptcy judge, at most on the work day following the collection of the money.

2- The Union trustee shall submit to the bankruptcy judge a monthly statement on the status of liquidation and the total of deposited amounts. These amounts shall not be with drawn except by the order of the bankruptcy judge or 1w a check to be signed by the judge and the Union trustees.

Article 691:1- The dues and management expenses of the bankruptcy, the debts of the group of creditors, the subventions determined for the bankrupt and his dependants, and the amounts due to Lien creditors shall be deducted from the amounts realized from selling the bankrupt's property. The rest shall be distributed among the creditors in proportion of their verified debts.

2- The proceeds of disputed debts and the temporarily accepted debts shall be set aside and kept pending on the decision in their respect.

Article 692: The bankruptcy judge shall order distributions to be carried out among the creditors, and shall determine the amount of money to be distributed accordingly. The union trustee shall notify the creditors of the intended distribution. The bankruptcy judge may, in case of necessity, order the distribution decision to be published in a daily newspaper defined by him.

Article 693:1- The Union trustee may not settle the creditor's share in the distributions unless the creditor submits the debt bond duly annotated as verified and accepted. The debt bond shall be marked with annotations of the settled amounts.

2- if it is practically difficult for the creditor to submit the document of debt, the bankruptcy judge may allow the payment of his debt after ascertaining its acceptance .

3- in all cases, the creditor shall give a quitclaim on the distribution statement.

Article 694: *If a* period of six months lapses from the date of establishing the status of Union, without fulfilling the liquidation, the Union trustee shall submit to the bankruptcy judge a report on the status of liquidation and the causes for delaying its fulfillment. The judge shall send this report to the creditors along with calling them to convene in order to discuss the report. This process shall take place as well whenever six months lapse without the Union trustee accomplishing the liquidation tasks.

Article 695:1-The Union trustee, after completing the liquidation works, shall submit a final account to the bankruptcy judge. The bankruptcy judge shall send this account to the creditors along with inviting them to the meeting to discuss this account. The bankrupt shall be notified of that meeting, and he is authorized to attend it.

2- The Union shall be dissolved and the bankruptcy shall be considered terminated by rule of law after ratification of the account referred to in the previous clause.

3- The Union trustees shall be responsible for a period of one year from termination date of the bankruptcy, for the books, documents, and papers delivered to him.

Article 696: Upon terminating the status of Union, the right of levying execution on the debtor shall be restituted to the creditor to collect the

remainder of his debt. Accepting the debt in the bankruptcy shall be tantamount to a peremptory regarding this execution.

Chapter —6

Curtailed Proceedings

Article 697: If it transpired after the inventorying of the property of the bankrupt that its value does not exceed fifty thousand Egyptian pounds, the bankruptcy judge may, on his own, or upon the request of the bankruptcy trustee or one of the creditors, order proceeding with the bankruptcy procedures according to the bankruptcy provisions prescribed in this Part, modified as follows:

- A. The dates prescribed in the first clause of article 649 and article 651, as well as the second clause of article 652, the second clause of article 653, article 654, and the third clause of article 655 of this law shall be reduced to the half.
- B. All decision of the bankruptcy judge shall be incontestable.
- C. No controller for the bankruptcy shall be appointed.
- D. In case the debts are disputed if they are verified, the creditors shall be called to meet for deliberation in composition, within five days from the date of issuing the decision of the dispute.
- E. Composition shall become enforceable upon approving it at the meeting of creditors. The bankruptcy judge shall ratify it during that meeting, and no objection thereto shall be acceptable.

F. The bankruptcy trustee shall not be replaced in case of establishing the status of Union.

G. Only *one* distribution among the creditors shall be carried out after complete sale of the bankruptcy property.

Chapter —7

Bankruptcy of Companies.

Article 698: The provisions prescribed in this Part, and the following rules shall apply to the bankruptcy of companies.

Article 699:1-With the exception of joint ventures, each company assuming one of the forms prescribed in the Companies Law shall be considered in a state of bankruptcy if it discontinues paying its debt following confusion of its financial affairs. its bankruptcy shall be declared by virtue of a court ruling to be issued therefor.

2- The Company may be declared bankrupt even if it is in the stage of liquidation.

Article 700: 1-The legal representative of the company may not request declaring its bankruptcy except after obtaining permission for it from the majority of the partners or the General Assembly according to each case.

2- The initiatory pleading referred to in article 553 of this law shall be submitted to the clerks office of the court within the circuit of which the company's head office is seated. if the head office is located outside Egypt, the initiatory pleading shall be submitted to the clerks office of the court

within the circuit of which the local administration office of the company's
is Located.

3- The initiatory pleading shall comprise the names of current joint partners and those who quit after it discontinued the payments, together with an indication of the domicile of each joint partner, his nationality, the date/month in which he quit, in the commercial register.

Article 701:1-The company's creditor may request declaring it bankrupt, even if he is partner in it. Non-creditor partners may not, in their individual quality, request declaring the company's bankruptcy.

2- If the creditor requests declaring the company bankrupt, all joint partners shall be litigated against.

Article 702:The court may, *motu proprio*/on its own, or upon the request of the company, postpone looking into the declaration of its bankruptcy to prop its financial status for a period not exceeding three months, or if this so necessary for the good of national economy. The court may order taking whatever measures it views appropriate to preserve the company's assets.

Article 703:1- If the company is declared bankrupt, all joint partners thereof shall be declared bankrupt. This shall comprise declaring the bankruptcy of the joint partner who quit after the company discontinued its payments, if the request to declare the bankruptcy of the company is submitted before the lapse of one year from the date the partner in the commercial register quit the company.

2- The company shall pass a ruling in which it pronounces the company's declared bankruptcy together with the declaration of the bankruptcy of the joint partners even though it may not be concerned with declaring the bankruptcy of these partners.

3- The court shall appoint for the bankruptcy of the company and the bankruptcies of the joint partners one judge and one trustee or more. However, each bankruptcy shall be independent from the others in terms of its assets and liabilities, and its management, the verification of its debts, as well as its termination.

Article 704:1-If a bankruptcy petition is submitted for the company, the court may also pass a judgment in bankruptcy for each person who under cover of this company carries out commercial operations for his own account, and disposes of the company's fund and property as if they were his own funds.

2- If it transpires that the company's assets are inadequate to settle at least 20% of its debts, the court, upon the request of the bankruptcy judge, may decree that all or some of the board members or directors, jointly among themselves or severally, shall pay all or part of the company's debt, unless they establish that they exerted in running the company's the company's affairs, some the discretion the caution and careful person does .

3- The court, motu proprio or upon the demand of the bankruptcy judge, may pass a ruling decreeing the forfeiture of the rights prescribed in article 588 of this law, of the company's board members or directors who have committed serious errors leading to confusion of the company's works and discontinuation of its payments.

Article 705: The Legal representative of the company which is declared bankrupt shall represent it in all matter for which the law requires taking the bankrupt's view or his attendance. He shall attend before the bankruptcy judge or its trustee whenever he is asked, and to give any required information or explanations.

Article 706: The bankruptcy trustee, after getting permission from the bankruptcy judge, may require the partners to pay the rest of their shares in the capital though its payment has not matured yet. The bankruptcy judge may order that this requirement shall be restricted to the measure necessary for settlement of the company's debts.

Article 707: The loan bond as issued by the company shall not be subject to procedures of verifying debts. These bonds shall be accepted with their nominal value after deducting the portion the company had paid therefor. If the payment of a bonus on settlement is stipulated, the bond shall be accepted with its nominal value, in addition to the portion maturing of the bonus until the court ruling on declaring the bankruptcy is passed.

Article 708:1-The composition proposals shall be set with the approval of the majority of partners, or the General Assembly according to each case.
2- The legal representative of the company shall submit the composition proposals to the creditors assembly.

Article 709:If the composition concerns a company that issued loan bonds for a value exceeding one third of its total debts, it may not be granted the composition unless all the composition terms and the conditions are approved by the general assembly of the group of these bondholders. Calling the creditors to the meeting for deliberation in composition

2-if a composition is reached with the company, and the bankruptcies of the joint partners ended with the institution of the Union, the company shall continue to exist unless the subject involved in composition issues is for the *company* to forsake all the property.

3- If the company bankruptcy and the bankruptcies of the partners came to *an* end through composition, each composition shall be considered separate from other parties. Its terms and conditions shall not apply to the creditors of the related bankruptcy.

Article 711:The company whose bankruptcy ends with the Union shall not be dissolved. However, this company may be dissolved if it transpires that the remainder of its assets after liquidating the Union is inadequate to follow up its works in a useful way.

Chapter —8

Commercial Rehabilitation

Article 712: With the exception of the case of fraudulent bankruptcy, all rights abated from the bankrupt according to article 588 of this law shall be restituted by virtue of the law, following the lapse of three years from the date of terminating the bankruptcy.

Article 713: A court ruling shall be pronounced rehabilitating the bankrupt even though the time prescribed in the previous article has not expired yet, if he settles all his debts, comprising the original amount, the expenses, and the interests, within a period not exceeding two years. If the bankrupt is a joint partner in a company for which a court judgment declaring bankruptcy was decreed, he shall not be imperatively rehabilitated by discharge in bankruptcy unless he settles all the company's debts, comprising the original debt amounts, the expenses and the interests for a period not exceeding two years.

Article 714: A court ruling may be pronounced rehabilitating the bankrupt even though the time prescribed in article 712 of this law has not expired yet, in the following two cases:

A. If the bankrupt obtains a composition with his creditors and executes its terms and conditions. This ruling shall apply to the joint partner in a company for which a court ruling was passed declaring it bankrupt, if this partner has obtained a particular composition and executed its terms.

B. If that bankrupt establishes that the creditors have cleared all of his debts. Or they unanimously agreed to rehabilitate him .

Article 715: If one of the creditors refrains from collecting his debt, was absent, or it was practically difficult to know the whereabouts of his domicile, the debt may be deposited in the treasury of the court, and the certificate of that deposit shall stand for the quitclaim regarding the rehabilitation.

Article 716:1- No discharge in bankruptcy shall be granted to a bankrupt who was indicted in court, in a crime of bankruptcy with negligence, except after executing the penalty ruled against him, or the issue of pardon, or its expiration by prescription.

2- No discharge in bankruptcy shall be granted to a bankrupt was indicted in court, in one of the fraudulent bankruptcy crimes, except after the lapse of a period of five years from the date of executing the penalty ruled against him or the issue of pardon of the crime.

3- In all the cases mentioned in the two previous clauses, no discharge in bankruptcy shall be granted to the bankrupt except if he has paid all the debts claimed from him, which constitute the original debt, the expenses, and the interests for a period not exceeding two years. or ? he has reached a composition in respect thereof with the creditors.

Article 717:A discharge in bankruptcy shall be granted to the bankrupt after his death upon the request of one of his successors, according to the provisions prescribed in the previous article.

Article 718:1- The request for discharge in bankruptcy shall be submitted

accompanied with the documents in support, to the clerk office of the court that pronounced the decree declaring the bankruptcy.

2- The clerk office of the court shall immediately send a copy of the request to the Public Prosecution.

3- A summary of the request shall be published in one of the daily newspapers that are issued or distributed within the circuit of the court, at the expenses of the debtor. This summary shall comprise the name of the debtor, the date of issue of the decree in bankruptcy, and the method the bankruptcy is terminated, along with notifying the creditors to submit their objections if deemed necessary.

Article 719: The Public Prosecution shall deposit with the clerk's office of the court, within thirty days from receiving a copy of the petition for discharge in bankruptcy, a report comprising data and information on the kind of the bankruptcy, and the judgments ruled against the bankrupt in bankruptcy crimes, or the current trials or investigations related, in this respect .

Article 720: All creditor who has not received his full due rights shall submit an objection to the petition for discharge in bankruptcy within thirty days from the date of publishing the petition in the papers. The objection shall be submitted in the form of a written report to the clerk's office of the court accompanied with the documents in support.

Article 721: The clerk's office of the court, following the lapse of the period prescribed in the previous article, shall notify the creditors who submitted

objections to the petition for discharge from bankruptcy of the date the session scheduled date for looking into the petition.

Article 722:1-The court shall decide the petition for discharge in bankruptcy, with a final ruling.

2- If the court ruling is passed refusing the petition, this petition shall not be submitted afresh except after the lapse of one year from the date of issuing the court judgment.

Article 723:If, before deciding the petition for discharge in bankruptcy, investigations were carried out with the bankrupt concerning one of the bankruptcy crimes, or a criminal prosecution is filed against *him* in respect thereof, the Public Prosecution shall notify the court forthwith, and the court shall stop deciding the petition for discharge in bankruptcy pending on the end of investigations or the issue of a peremptory judgment in the criminal prosecution.

Article 724:If a court judgment is passed indicting the debtor in one of the bankruptcy crimes after a court issuing is passed granting him discharge from bankruptcy, this judgment shall be considered as null and non-existent.

The debtor may not thereafter obtain a discharge in bankruptcy except by virtue of the conditions prescribed in article 716 of this law .

Chapter —9

Bankruptcy Composition

Article 725:1- All trader whose bankruptcy could be declared, without however, having committed a fraud or an error that does not emanate from an ordinary trader, may submit a petition for bankruptcy composition, in

case his financial works are confused and are thus likely to lead to discounting his payments.

2- A trader who discontinues honouring his debts, even if he submits a bankruptcy petition, may request a bankruptcy composition, if the conditions prescribed in the previous clause are fulfilled thereby and he submits the bankruptcy petition within the period prescribed in article 553 of the law.

3- With the exception of joint ventures a bankruptcy composition may be granted to each company fulfilling the conditions prescribed in the two previous clauses. However, this composition arrangement may not be granted to a company in a stage of liquidation.

Article 726:1-The petition for bankruptcy composition shall not be accepted unless the petitioner has exercised trade continuously during the two years prior to submitting the petition, and during that period he has fulfilled all requirements imposed on him by the provisions concerning the commercial register and commercial books.

2- The company may not submit a petition for bankruptcy composition except after obtaining permission therefor from the majority of partners, or the general assembly, according to each case.

Article 727:1- Those to whom the trading store devolves by inheritance or

by legacy may submit a petition for bankruptcy composition if they decide to continue in the trade, and the trader was of those who could obtain this composition before his death.

2- The successors or the legatees shall submit their petition for bankruptcy composition within three months from the date of the death. If the successors or legatees do not all agree to the petition for composition, the court shall hear the statements of those opposing the petition for composition, then decide the dispute according to the good of interested persons.

Article 728: The debtor, during the execution of composition, may not submit a petition for another bankruptcy composition.

Article 729: If a petition declaring the bankruptcy of the debtor is submitted to the court and another petition for bankruptcy composition is also submitted, the bankruptcy declaration petition may not be decided except after deciding the petition for composition.

Article 730: The petition for bankruptcy composition shall be submitted to the clerk's office of the Court of First Instance which is concerned with the declaration of bankruptcies, in which the petitioner he shall indicate the reasons for disturbance and confusion of works, the composition proposals, and the execution guarantees. If the petitioner is unable to submit all or some of this data he shall explain the reasons for that.

Article 731: The following shall be attached to the petition for bankruptcy composition :

A. The documents supporting the data and information mentioned therein .

B. certificate from the Commercial Register Office establishing that the trader has fulfilled the requirements imposed thereon by the provisions concerning the commercial register, during the two years prior to the petition for bankruptcy composition.

C. A certificate from the Chamber of Commerce affirming the continuous exercises of trade during the two years prior to the petition for bankruptcy composition.

D. A copy of the balance sheet account and the profit and the loss account for two years prior to the petition for bankruptcy composition.

E. A global statement of personal expenditures during the two years prior to the petition for composition.

F. A detailed statement of the movable and immovable property and its approximate value, on submitting the petition for composition.

G. Statement of the names of creditors and debtors, their addresses, the amount of their debts or rights, as well as their security deposits.

H. Evidence of having deposited one thousand Egyptian pounds in the treasury of the court, for account of publication expenses of the rulings as issued.

2- If the petition concerns a company, a copy of the Company's article of

incorporation, and articles of partnership, duly authenticated by the Commercial Register Office, the documents establishing the quality of the petitioner, a copy of the decision of the partners or the general assembly to submit a petition for composition, and a statement of the names, addresses and nationalities of the joint partners shall be attached to the petition in addition to the aforementioned documents.

3- These documents shall be dated and signed by the composition petitioner. If some of them are practically difficult to submit, or to fulfil their particulars, the petition for composition shall indicate the reasons therefor.

Article 732:1-The court examining the petition for composition shall order taking necessary arrangement for the maintenance of the property of the debtor pending on the decision in the petition.

2- The court may take such proceedings as will enable it to become aware of the debtor's financial status and the causes of its confusion.

3- The court shall look into the petition for composition summarily and in closed session, and shall decide it in a final ruling.

Article 733: The court shall pass a judgement refusing the petition submitted for bankruptcy composition in the following cases:

A. If the petitioner for composition fails to submit the documents and

information prescribed in article 731 of this law, or submit them incomplete without justification.

B. If a court ruling was previously passed against the trader condemning him in a crime of fraudulent bankruptcy, or a crime forgery, theft, swindling, fail of trust, or issuing a bouncing check (without consideration for settlement), defalcating public funds and property, unless he has been discharged in bankruptcy.

C. If he retires from the trade business or resorts to absconding.

Article 734: If the court judgment as passed refuses the petition for bankruptcy composition, the court might sentence the trader to a fine of not less than one thousand pounds and not exceeding five thousand pounds if it transpires to the court that he intended to imply falsely that his trade business was suffering from disturbance and confusion, or he premeditatedly generated that disturbance in his business.

Article 735:1 If the court ruling provides for accepting the bankruptcy composition, it shall also decree the opening of relevant proceedings.

2-The court judgement shall comprise the following :

A . Seconding a judge of the court to supervise the composition proceedings.

B . Appointing one or more trustees to undertake and follow up the composition proceedings .

3- The court may decree in its judgement for opening the composition proceedings that the debtor shall deposit with the treasury of the court a monetary security the court may rule the cancellation or discontinuance of the composition proceedings if the debtor fails to deposit within the time – limit the securities appointed by the court .

Article 736:1 If the court ruling provides for accepting the bankruptcy composition , it shall also decree the opening of relevant proceedings.

2.The court judgement shall comprise the following:

A. Seconding a judge of the court to supervise the composition proceedings

B. Appointing one or more trustees to undertake and follow up the composition proceedings.

3. The court may decree in its judgement for opening the composition proceedings that the debtor shall deposit with the treasury of the court a monetary security the court may rule the cancellation or discontinuance of the composition proceedings if the debtor fails to deposit within the time — limit the securities appointed 9 the court.

Article736: The composition trustee shall be appointed among the persons who are authorized to exercise the profession of bankruptcy trustee .

2- The provisions prescribed in article 572 of this law shall apply in this respect .

Article 737: The provisions prescribed in articles 579 and 580 of this law shall apply to the judge supervising the composition .

Article738:1- The clerks' office shall notify the composition trustee of the judgement passed for his appointment, upon issuing it.

2- Within five days from the date of notification, the composition trustee shall record the court ruling for opening the composition proceedings in the commercial register and publish its summary coupled with an invitation for the creditors to convene, in a daily newspaper to be appointed by the supervisory judge.

3- The composition trustee shall, during the time-limit referred to in the previous clause, send the invitation to the meeting along with the composition proposals, to the creditors whose addresses are already known.

Article739: 1-Following the issue of the court ruling, the supervisory judge shall forthwith open the composition proceedings by closing the books of the debtor and affixing his signature to them.

2- The composition trustee, within twenty four hours from receiving the notification of the court ruling, shall embark on the inventory proceedings in the presence of the debtor and the clerk of the court.

Article740: 1-Following the judgement passed for opening the composition procedures, the debtor shall remain in charge of managing his funds and property with the supervision of the composition trustee. he shall have the

power to carry out all ordinary disposals as required for his commercial works. However, the donations given by the debtor after the issue of the said ruling shall not be used against the creditors.

2- Following the issue of the ruling for opening the composition proceedings, the debtor may not hold a composition or pawn of any kind, or effect an act of ownership alienation that is not required for his ordinary commercial works, except after getting permission from the supervisory judge. All act otherwise carried out shall not be used against the creditors.

Article 74I:1-All prosecutions and execution proceedings as directed against the debtor shall be stopped upon issuing the ruling for opening the composition proceedings. However, the prosecutions filed by the debtor and the execution proceedings assumed by him shall remain valid, along with introducing the composition trustee in them.

2- Following rendition of the court ruling for opening the composition proceedings, the registration of pawns, liens, and particular liens as prescribed on the property of the debtor shall not be invoked against the creditors.

Article 742:The pronouncement of the judgment decreeing the opening of composition proceedings shall not result in maturing the debtor's debt or discontinuing their interests and yields .

Article743: If the debtor, after submitting the composition petition, hides or damages parts of his property or, in bad faith, carries out harmful acts to the creditors, or acts constituting a violation to the provisions of article 740 of this law, the court shall, motu proprio, decree the cancellation of the composition proceedings .

Article744: 1- All creditors, even though their debts are not mature yet, nor guaranteed by special security deposits, or established by virtue of peremptory judgment, shall deliver to the composition trustee, within ten days from the date of publishing in the papers the summary of the court ruling decreeing the opening of the composition proceedings, the documents of their debts accompanied by a statement of these debts and their security deposits if any as well as their amounts valued in the national currency on the basis of the exchange rate announced at the Central Bank Of Egypt.

Selling, closing, transfers, or currency notes if there is no exchange rate for transfers on the day the ruling is issued. The statement and the documents may be sent to the composition trustee by special registered mail .

2- The time-limit as mentioned in the previous clause shall be thirty days for the creditors living abroad.

3- A time limit for distance shall not be added to the deadline mentioned in the two previous clauses.

Article745: 1- The composition trustee, after the lapse of the time-limit prescribed in article 746 of this law, shall set a list of the names of creditors requesting participation in the composition proceedings, and a statement of the amount of each debt separately, as well as the documents in support, and

the security deposit guaranteeing it, if any, and whether he deems accepting or refusing the composition.

2- The composition trustee shall request the creditor to submit explanations on the debt, complete his documents, or modify its amount or qualities.

Article 746:1- The composition trustee shall deposit the list of debts with the clerks' office of the court, within at most forty days from the date of issue of the ruling decreeing the opening of composition proceedings. This period may be extended, if deemed necessary, by a decision of the supervisory judge.

2- The composition trustee, on the day following the depositing, the list of debts shall publish in a daily newspaper to be appointed by the supervisory judge a statement of the list of debts deposited. The composition trustee shall send to debtor and each creditor a copy of this list of the debts and a statement of the amounts he decided to accept of each debt.

3- Interested parties shall have the right to view the list deposited with the clerks' office of the court.

Article 747: The debtor and each creditor whose name is mentioned on the list of debts shall have the power to litigate the debts mentioned therein, within ten days *from* the date the publication is inserted in the papers about the deposited security. The litigation shall be submitted to the clerks' office and may be sent by the registered mail, cable, telex, or fax message. To this time limit no time for distance shall be added.

Article 7481- Following the lapse of the deadline prescribed in the previous article, the supervisory judge shall set a final list of the undisputed debts, and mark his annotation on the debt-related statement affirming his acceptance and the amount accepted thereof.

2- The supervisory judge may consider the debt as disputed even if no litigation is submitted in respect thereof.

3- The supervisory judge shall decide the disputed debts within thirty days from the date the dispute deadline expires.

4- The clerks' office of the court shall notify the date of the session to the concerned and interested persons, at least three days before holding it. He shall also notify them the court ruling as decreed in the litigation, upon issuing it.

Article 749:1- The decision issued by the supervisory judge discontinuing the acceptance or refusal of the debt may be challenged in court. The challenge shall not result in the composition proceedings unless the court decrees order their halt.

2- The court, before deciding the challenge may decree the temporary acceptance of the debt at a certain amount to be estimated by it. The debt

shall not be accepted temporarily if a criminal prosecution is instituted in respect thereof.

3- if the dispute over the debt is related to its security deposit, it shall be accepted temporarily in its quality of ordinary debt .

Article750: Creditors who have not submitted the documents of their debts within the deadline prescribed in article 144 of this law, and those whose debts were not finally or temporarily accepted, shall not participate in the bankruptcy composition proceedings.

Article751: On completing the verification of debts, the supervisory judge shall determine a date for convening the creditors to deliberate the composition proposals. The call to convene shall be directed to each creditor whose debt has been finally or temporarily accepted. The supervisory judge may decree publishing the invitation in a daily newspaper specified by him.

Article752:1- The composition trustee shall deposit in the clerks office of the court at least five days before the date scheduled for the creditors' meeting a report on the financial standing of the debtor and causes of its confusion and disturbance, together with the names of creditors who have the right to participate in the composition procedures. The report shall comprise trustee, in the conditions proposed by the debtor for composition.

2- All concerned and interested party may request permission from the supervisory judge, to view the said report.

Article753:1-The supervisory judge shall chair the meeting of the creditors.

2- The creditor may delegate a proxy to attend the meeting on his behalf. The debtor shall attend personally and shall not appoint a proxy to attend and represent him except for an excuse acceptable to the supervisory judge.

3- No deliberation of the composition conditions shall be accepted, except after reading out the report of the composition trustee referred to in the previous article. The debtor may modify his own conditions for the composition during the deliberation.

Article754:1- No composition shall be effected except with the approval of the majority of creditors whose debts have been finally or temporarily accepted, providing they shall hold two thirds of these debts. The creditors who have not participated in voting shall not be counted in these two majorities. Neither shall their debts be counted.

2- If the composition concerns a company which have issued loan bonds. the provisions prescribed in article 709 of this law shall be observed.

Article755: 1- The ban prescribed in article 666 of this law shall apply to the bankruptcy composition.

2- The provisions prescribed in article 667 of this law shall apply concerning the participation of creditors with in kind security deposits in voting on composition.

Article756: I. The bankruptcy composition shall be signed during the session in which voting thereon takes place, otherwise it shall be null and void.

2- If none of the two majorities prescribed in article 754 of this law is realized, the deliberation shall be postponed for a period of ten days, without further periods thereafter. The provisions prescribed in the third clause of article 668 of this law shall apply in this respect.

Article757: 1- A report shall be drawn up on the steps and decisions taken during the composition session, to be signed by the supervisory judge, the composition trustee, the debtor, and the attending creditors.

2- Each creditor has the right to participate in the composition deliberations may advise the supervisory judge, in writing, of the objections he might have to the composition and its reasons, within ten days from the date of signing the composition report.

3- The supervisory judge, within seven days from the expiry of the deadline prescribed in the previous clause, shall send the composition report to the court which decreed the opening of the composition proceedings to rati& it, together with the judge's report on the financial status of the bankrupt, the causes of the contusion and disturbance of his works, the terms of the

composition, and a statement .of the objections submitted against the composition and their reasons.

Article758:1- The clerk's office of the court shall advise the debtor and the creditors who submitted their objections to the composition of the session scheduled date of to look into these objections and the request for ratifying the composition. Each concerned and interested person may attend this session.

2- The court shall decide these objections and the request for ratification of the composition in one judgment, and its ruling. whether accepting or refusing to ratify the composition shall be final .

3- The court may refuse to ratify the composition even if no objection has been submitted in respect thereof, if it finds justifying reasons connected with the public good or the interest of the creditors.

4- If the court refuses the objection to the composition, it may pass a ruling against the objector inflicting on him a fine of not less than one thousand pounds and not exceeding five thousand pound in case it transpires thereto that he premeditated delaying the composition.

Article759:1- The bankruptcy composition may comprise the *facility* of granting the debtor terms for the settlement of his debts. It might also comprise clearing the debtor of a part of his debt.

2- The composition may be concluded, conditional upon settlement if the debtor becomes solvent within a period to be defined in the composition terms, providing it shall not exceed five years from the date of ratifying the composition. The debtor shall not be considered solvent unless his assets turn to exceed at least ten percent the debts built up on him.

3- The creditors have the right to stipulate the provision of in kind or personal guarantee for the execution of the composition terms.

Article760:1-The judgment decreeing the ratification of the bankruptcy composition shall be registered according to the provisions prescribed for registration of a bankruptcy declaration ruling.

2- The summary that is published in the papers shall comprise the name and domicile of the debtor, the number of his entry in the commercial register, the court that ratified the composition, and the date of the ratification judgment.

Article761:1- The bankruptcy composition shall come into force and apply, soon upon the issue of a court ruling decreeing the ratification of that composition, to all creditors whose debts are considered ordinary of once according to the bankruptcy provisions, even though they have not participated in its proceedings, or did not approve its conditions and terms.

2- The joint debtors with debtor or his warrantors for his debt shall not benefit from the bankruptcy composition. However, if the composition is signed with a company, the partner who are responsible with all their finds and property for the company's debts shall benefit by the terms of that

composition, unless otherwise prescribed in the composition agreement.

3- The composition shall not apply to the alimony debt, nor to the debts created after the court judgment was issued decreeing the opening of the composition proceedings .

Article762:1-The court that ratified the composition may grant the debtor, upon his request terms for settlement of his debts to which the composition does not apply, providing the terms granted by the court shall not exceed the term prescribed in the composition.

2- Ratifying the composition shall not result in depriving the debtor from the terms that are longer than the term prescribed in the composition.

Article763:1-Upon a report from the supervisory judge, the court, in its composition ratification judgment, shall decree the composition trustee to be kept, or a censor among the creditors or others to be appointed to control the execution of the composition terms and notify the court of the violations to these terms as they occur.

2- The censor shall request the court that ratified the composition, within ten days from completing the execution of the composition conditions, to pronounce its resulting decreeing the closure of the proceedings. This request shall be registered in the manner prescribed in article 738 of this law.

3- The ruling to close the proceedings shall be pronounced within thirty days from the date of publication in the papers. Its summary shall be recorded in the Commercial Register.

Article 764:1-The bankruptcy composition shall be nullified if after its ratification, evidence of fraud is established on the part of the debtor. Hiding funds and property, inventing debts, and premeditatedly exaggerating their amounts are considered fraudulence and deception in particular.

2- The petition for nullification of the composition shall be submitted within six months from the day defraudation is detected, otherwise the request shall not be accepted. In all cases, the request shall be unacceptable if submitted after the lapse of two years from the date of passing the composition ratification ruling.

3- The creditors shall not be required to refund the amounts they collected from their debts before the court judgment nullifying the composition was passed.

4. Nullifying the composition shall result in clearing the warrantor's obligation from the guarantee to execute the composition conditions.

Article 76S:t-The court, upon the request of all creditors to whom the composition conditions apply, may pass a judgment repudiating the composition in the following cases :

A. If the debtor fails to execute the composition conditions as agreed upon.

B. If the debtor, after ratification of the composition, acts in a way alienating the ownership of his trade store without acceptable justification.

C. If the debtor dies and it transpires it is not expected the composition will be executed, or its execution will be fulfilled.

2- Creditors shall not be bounded to refund the amounts they have collected out of their debts before the court judgment repudiating the composition is passed.

3- Repudiating the composition shall not result in clearing the obligation of the warrantor who guarantees the execution of its conditions. The warrantor shall be summoned to attend the session during which the petition for repudiation of the composition will be examined.

Article 766: 1- The judge supervising the composition shall estimate the remuneration to each of the composition trustee and the censor, if he is not a creditor. The decision of the judge in this respect shall be deposited with the clerk's office of the court on the day following its issue.

2- All concerned and interested party may submit in court an objection to the decision within fifteen days from depositing it. The judgment to be pronounced by the court regarding the objection shall be final.

Article 767: The court may, motu proprio or based on a report from the composition supervisory judge, decree in its judgment the closure of the composition proceedings along with paying a total compensation to the censor if he is one of the creditors and it transpires he has exerted unusual effort in his work, and the financial status of the debtor permits this payment.

Chapter— 10

Bankruptcy Crimes And Composition

Article768: The provisions prescribed in the Criminal Law shall apply to criminal bankruptcy cases.

Article769: The following provisions shall apply to bankruptcy composition offences:

1-The debtor shall be liable to a penalty of imprisonment for a period of not less than six months, if:

A. In bad faith he hides all or part of his property and finds, or exaggerates in their estimation with the aim of acquiring a composition.

B. In bad faith he leaves or enables a creditor with a bogus debt , or an illegal creditor , or a debtor with an exaggerated debt to participate in the composition deliberations and vote thereon.

C. In bad faith he overlooks mentioning a creditor in the list of creditors.

2- A creditor shall be liable to the penalty prescribed in the previous clause if in bad faith he participates in the composition deliberations and in voting thereon while he is prevented from this participation, or his debt is exaggerated, or the debtor or any other person determined for him special benefits in return for voting for the composition.

3- The composition trustee who is in bad faith submits or declares incorrect data and information on the status of the debtor shall be liable to a penalty of imprisonment for a period of not less than six months.

Article770: Instituting the criminal prosecution for bankruptcy with omission and fraudulent bankruptcy shall not result in any modification of the provisions concerning bankruptcy proceedings unless otherwise prescribed in the law.

Article771:1- In case of instituting the criminal prosecution against the bankrupt, the bankruptcy trustee shall submit to the Public Prosecution or the court whatever bankruptcy-related instrument, documents, information or explanations it demands.

2- The said instruments and documents shall be kept with the Public Prosecution or the court during investigation or the trial, and shall be returned on completing the investigation or the trial to the bankruptcy trustee, or to the debtor or his successors, according to each case.

Article772: If the crime is connected with an agreement concluded by the debtor or any person with one of the creditors to grant this creditor special benefits (particular lien) in return for voting in favour of composition, the criminal court may, *motu proprio*, pass a judgment decreeing the nullification of this agreement and compelling the creditor to refund whatever he laid hold on by virtue of that agreement , even though the court

might acquit him , the court upon the request of the concerned parties , may also pass a judgment decreeing the payment of compensation if necessary .