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Review of implementation of the United Nations
Convention against Corruption

Executive summary: Egypt

Note by the Secretariat

The present conference room paper is being made available to the Implementation Review Group in accordance with paragraph 36 of the terms of reference of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption (Conference of the States Parties resolution 3/1, annex). The summary contained herein corresponds to a country review conducted in the second year of the second review cycle.

* Reissued for technical reasons on 27 November 2019.



II. Executive summary

Arab Republic of Egypt

1. Introduction: overview of the legal and institutional framework of the Arab Republic of Egypt in the context of implementation of the United Nations Convention against Corruption

The Arab Republic of Egypt (Egypt) signed the United Nations Convention against Corruption (the Convention) on 9 December 2003 and ratified it by Decision of the President of the Arab Republic of Egypt No. 307/2004 of 11 September 2004, which was published in Official Gazette No. 6 of 8 February 2005. Egypt deposited its instrument of ratification of the Convention with the Secretary-General of the United Nations on 25 February 2005.

The implementation by Egypt of chapters III and IV of the Convention was reviewed in the fourth year of the first review cycle, and the executive summary of that review was published on 26 May 2015 (CAC/COSP/IRG/I/4/1/Add.13).

Egypt has adopted the principle of direct implementation of international conventions. The first paragraph of article 151 of the Constitution stipulates that “treaties shall acquire the force of law following their publication in accordance with the provisions of the Constitution.”

The national legal framework to prevent and counter corruption includes provisions from a number of laws, notably the Civil Service Law (Law No. 81/2016), The Procurement Law (Law No. 182/2018), the Penal Code (PC), the Criminal Procedure Code (CPC) and the Law on Illicit Gain and the Anti-Money-Laundering Law (AML Law). Egypt is also a party to a number of international agreements on international cooperation, crime control and crime prevention.

Egyptian authorities cooperate at the international level through different mechanisms and networks, including the Middle East and North Africa Financial Action Task Force (MENAFATF), the Egmont Group of Financial Intelligence Units and INTERPOL.

Egypt has a number of bodies and agencies concerned with preventing and combating corruption, including the Administrative Control Authority (ACA), the Public Prosecution, the Administrative Prosecution Authority and the related specialized prosecution offices, the Accountability State Authority (ASA), the Department of Illicit Gain of the Ministry of Justice, the Directorate General for Combating Financial Crime of the Ministry of the Interior, the Money laundering and Terrorist Financing Combating Unit (EMLCU), and the National Board of Payments. The Public prosecution plays a key role in the field of international cooperation. Egypt has established a National Coordinating Committee for the Prevention and Combatting of Corruption (NCCPCC) and a National Coordination committee against money-laundering. It also established a National Committee for the Recovery of Funds, Properties and Assets Located Abroad, headed by the Prosecutor General.

2. Chapter II: preventive measures

2.1. Observations on the implementation of the articles under review

Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)

Egypt has adopted a National Anti-Corruption Strategy (NACS), for the period 2014–2018. NACS focusses on priority areas and addresses recommendations of the first implementation review cycle and other mandatory provisions of the Convention. NACS has a detailed implementation plan accompanied by a monitoring, evaluation and reporting framework. Principles of good governance, rule of law and anti-corruption are enshrined also in the Constitution. Egypt adopted a new NACS in 2018 for the period 2019–2022, which builds on the progress made during the first

strategy, identifies new challenges and emphasizes the need to achieve outputs that were not met during the first strategy. The NCCPCC, chaired by the Office of the Prime Minister under the oversight of the ACA, coordinates the oversight and implementation of NACS and development of practices to prevent corruption.

The NCCPCC is responsible, inter alia, for carrying out periodic assessments of laws and regulations related to the prevention and combating of corruption to determine their adequacy and compatibility with international agreements ratified by Egypt. It is also in charge of submitting proposals, recommendations, and draft laws in this field to relevant ministries and authorities. Recommendations for legislative amendments are submitted to the Supreme Committee for Legislative Reform. The Supreme Committee is supported by a technical secretariat, consisting of judicial authorities and academics, to provide legal guidance and advice.

There is no single anti-corruption agency. The ACA chairs the subcommittee to the NCCPCC, which oversees all anti-corruption activities in Egypt. The Central Auditing Organization (CAO) is an independent oversight body for management of public finances and the identification of irregularities. Other institutions with preventive functions exist to regulate financial institutions, the private sector and administrative regulation, including the Ministry of Foreign Affairs. The ACA, as a body whose independence is ensured by law, has a broad corruption prevention mandate, including to study and investigate workplace and production deficiencies, and to monitor the implementation of laws. It also operates the National Anti-Corruption Academy, which offers a comprehensive technical curriculum.

Coordination takes place through the NCCPCC, which is tasked with ensuring a unified Egyptian approach to the prevention of corruption. It also follows up on the implementation of the Convention and other relevant international instruments [covered above]. The subcommittee to the NCCPCC is supported by a Panel of National Experts to advise and propose reforms to the ACA.

Egypt participates in regional and international initiatives and organisations that assist in the prevention of corruption, including the following: The Egmont Group; MENA/FATF; and the International Anti-Corruption Academy.

The Ministry of Foreign Affairs officially informed the Secretary-General of the name and address of its authorities that may assist other States parties in developing and implementing specific measures for the prevention of corruption on 12 June 2014.

Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)

Law No. 81/2016 regulates all matters related to the appointment, promotion, delegation, remuneration and other operational aspects of the public service. It also provides a process for persons to appeal any administrative decision relating to conditions of service. Article 14 of the Constitution sets forth the principle that appointments in the public service are to be based on merit, with no favouritism or other interference. Recruitment takes place through a competitive process, overseen by the Civil Service Council, including administration of an examination and interview. Appointment is made on a fixed term basis that is subject to renewal based on the outcome of regular performance reviews. Performance reviews that fall below the acceptable standard for two consecutive years can result in rotation or termination, including for leadership positions (Articles 27–28, Law No. 81/2016).

Training programmes exist for public service employees, both upon general appointment and at the unit level (Articles 7–8, Law No. 81/2016). All ministries have training departments in charge of raising the standard of training and practice in the performance of work, the acquisition of skills and experience with regard to performance and awareness of the duties, tasks, and responsibilities entrusted to them. These departments also ensure compliance with regulations and directives governing work, the fight against all forms of corruption, and raising awareness of these risks.

Positions considered vulnerable to corruption are identified and subject to regular rotation as governed by law.

The criteria for the qualification and disqualification of those standing for elected public office are outlined in the Constitution (art. 200 et seq.), which also include eligibility criteria to run for President and Parliament. Criteria for various national, administrative and local elected positions are set forth in various laws, including Law No. 46/2014, Law No. 22/2014, Law No. 43/1979 and Law No. 81/2016. Law No. 40/1977, as amended, governs political parties and regulates party donations, recordkeeping requirements and periodic audit and oversight measures. The Law on the Exercise of Political Rights, No. 45/2014, regulates the funding of candidates for public office, and includes requirements for bookkeeping and recording, although does not make available to the public donor identification.

A general code of conduct, an administrative document to guide the conduct of public officers, exists for all public officials and provides disciplinary measures for noncompliance, including dismissal (Articles 57–68, Law No. 81/2016). This code was updated in 2018 and is in the final stage of publication and distribution, with training programmes to be developed and implemented. A system has been implemented to ensure asset disclosures by designated officials, including those candidates standing for elected office in Parliament (see art. 52(5) below). Codes of conduct for public officials in specific ministries and sectors are being developed. They include the standards of conduct for correct, proper, and honourable performance of public functions and systems that facilitate public officials' reporting of acts of corruption to the relevant authorities. Codes of conduct have been developed for certain specialised bodies, including the public prosecution, the administrative prosecution, forensic medicine, foreign service and the Central Bank. Law No. 106/2013 prevents and regulates conflicts of interest for public officials. Implementing regulations are currently being prepared for this legislation, which will provide operational guidance on preventing and reporting conflicts, although there have been cases of discipline that have been brought as a result of this prohibition.

A number of systems have been set up to facilitate the reporting by civil servants to the relevant authorities of acts of corruption through hotlines, websites, social networks, fax and mobile phone numbers that are open generally to the public, or dedicated offices to receive complaints, which exist within all regulatory bodies and in some units of the administrative apparatus. Presidential Decree No. 314/2017 established a unified complaint system throughout Egypt to receive, examine, and channel all government complaints and respond to them electronically. This system is in the process of being implemented. A law on the protection of reporting persons has been proposed.

The Constitution guarantees the independence of the judiciary and prohibits any attempt to interfere in judicial matters. The public prosecution is an integral part of the judiciary. The Supreme Judicial Council, composed of senior judges, oversees all affairs of the judiciary. The Law on Judiciary Authority sets forth the procedures for appointment, promotion, transfer and conditions of services, as well as the establishment of a Disciplinary Board composed entirely of judges to ensure accountability. Article 67 of Law No. 46/1972 (The Judiciary Authority Law) prohibits the dismissal of judges. This Law also sets forth numerous rules for judges to follow, including in terms of engaging in political activity, preventing conflicts of interest and acting with dignity. The Minister of Justice oversees the appointment, conditions of service and accountability of the prosecution service in minor matters, and the Disciplinary Board oversees accountability in more serious matters. Although the Supreme Judicial Council may remove judges from office for professional incompetence, such decisions are based on a series of criteria and subject to several layers of review. On 28 April 2016, a Code of Conduct was approved by the Prosecutor General for the Public Prosecution. An Institute of Criminal Research and Training has been established at the Public Prosecution and is responsible for the periodic training of prosecutors, including in integrity and ethics.

Public procurement and management of public finances (art. 9)

In Egypt, the procurement system is decentralised. Law No. 182/2018 superseded previous procurement legislation and is designed to promote transparency and fairness in government procurement and competition according to objective criteria. An electronic government portal for government procurement has been set up to ensure transparency in competition. Calls for tender are advertised publicly, both in newspapers and online, and include the relevant criteria to be submitted and applicable deadlines in the bidding process. Bids are submitted in two sealed envelopes, one for the technical offer and the other for the financial offer. The competent authority is required to establish both a tender opening committee and a decision committee, which must issue a comprehensive report on the process and outcome. Special qualifications and training are required for procurement personnel.

Contracts in excess of 1 million Egyptian pounds must include a representative of the Ministry of Finance on the decision committee, while contracts in excess of 2 million Egyptian pounds must also include a member of the Fatwa Department at the State Council. The Ministry of Finance, through the General Authority for Government Services, inspects Government Contracts, provides domestic review and hears appeals of procurement decisions. In addition, a special complaints office has been established in relation to procurement processes. The courts of the State Council also have jurisdiction to hear and settle procurement disputes.

At present, sole-source procurements make up 10 per cent of total procurement. Additionally, State Owned Enterprises do not have to follow many of the present rules.

The Constitution sets forth the process for review and approval of the annual State budget, which is published online on the website of the Ministry of Finance. Under Law No. 53/1973, the Ministry issues annually the guidelines and data relevant for the preparation of the budget soon after the start of each fiscal year. The draft budget is submitted to the Council of Ministers for approval and thereafter the President. Following internal approval, the draft budget is sent to the People's Assembly for further debate, hearings and final approval.

Law No. 127/1981, as amended, on Government Accounting, governs internal control systems, publication and analysis of results published by finance departments and final accounts of all administrative bodies of the State. Although each administrative authority has established internal control bodies, the Ministry of Finance is responsible for overall financial and budgetary oversight of the implementation of the budget by the administrative authorities through its financial inspection units. The Ministry of Finance prepares monthly, quarterly and annual financial accounting reports in conformity with international accounting standards and the related decisions of the Central Auditing Organisation.

The government accounting system in Egypt makes it an obligation to follow a documentary cycle, and maintain a main book and an auxiliary book that must be used in performing government accounting work and financial supervision. This system is applied in all government agencies, including the units of the administrative apparatus of the State, local government units, public economic bodies, service bodies, funds, private accounts and special units. When the books are full, they are kept in the archive room of each institution, according to the regulation on government archives, or are converted to electronic form.

Public reporting; participation of society (arts. 10 and 13)

The right to access to information is enshrined in Article 68 of the Constitution: "Information, data, statistics and official documents are owned by the people. Disclosure thereof from various sources is a right guaranteed by the state to all citizens. The state shall provide and make them available to citizens with transparency. The law shall organise rules for obtaining such, rules of availability and confidentiality, rules for depositing and preserving such, and lodging complaints

against refusals to grant access thereto.” Although there is no specific law governing access to information, Egypt has several sector-specific laws that promote transparency in providing information about decision-making processes of the government. A draft law on access to information has been prepared and submitted to the Supreme Committee for Legislative Reform for review before it is discussed by the Council of Ministers in preparation for its submission to the House of Representatives for enactment.

Egyptian law prohibits public servants from disclosing information classified as confidential. Article 80(b) of the Penal Code also prevents public servants from disclosing defence secrets, while Article 102 bis prohibits the publication of false information.

Some ministries, such as the Ministry of Finance and the Ministry of Communications, have established online customer portals, which publish information regarding their operations and functions online. The Ministry of Planning, Follow-Up and Administrative Reform has coordinated with several ministries to streamline and digitize administrative procedures to allow electronic payment for many public services. This digitization process will continue under the current national anti-corruption strategy. In addition, ministries, governorates and universities submit periodic reports on corruption risks to the Technical Secretariat of the NCCPC at ACA on the follow-up of the implementation of the National Anti-Corruption Strategy. On an annual basis, institutions are reviewed and ranked in terms of corruption risks and measures taken to address them.

In terms of participation of society in public decision-making processes, Article 135 of the Constitution empowers the National Assembly to hold hearings on matters of draft legislation or matters in the public interest, and invite relevant witnesses and experts to provide information or testimony. Citizens and stakeholders also participate in the public decision-making process through community workshops, surveys on websites and meetings with the local community.

The drafting and implementation of the National Anti-Corruption Strategy involved representatives from civil society as key stakeholders. Extensive efforts have been made to raise awareness and empower the public to contribute to the fight against corruption through public media campaigns that demonstrate its negative effects on society and how to communicate with regulatory and anti-corruption authorities to report acts of corruption. Several hotlines and online portals have been established for citizens to report corruption, including anonymously. The Strategy also aims to integrate anti-corruption curricula at all levels of education.

Private sector (art. 12)

Article 56 of the Labour Law requires employees to perform their duties with accuracy and honesty as determined by the law, labour regulations, and individual and collective labour contracts, accomplish these duties at the prescribed time and exercise due diligence. Article 57 prohibits employees from engaging in a wide range of conduct, including breaching confidentiality and accepting gifts without employer consent.

The NCCPC, in cooperation with the Egyptian Junior Business Association, developed a code of conduct for private sector employees. The Egyptian Financial Supervisory Authority (EFSA) issued the "Guide to Corporate Governance Regulations and Standards in Egypt", which provides guidance on the best practices in good governance and transparency to serve all stakeholders in the company. It also includes an Integrity Charter for the private sector.

Article 15 of Law No. 106/2013 prohibits public officials from assuming a position or employment in the private sector with a company or entity that was affiliated with or related to their previous work or subject to their supervision, and from exercising a private professional activity related to it or dealing with the entity they headed for a period of six months after leaving public service, except with the approval of the

NCCPCC. The former public official is also prevented from investing in areas that were under his or her public service portfolio or providing advice to companies that were subordinate to or controlled by the entity that the public official headed during the period of service.

Law No. 159/1981 and Law No. 7/2017 govern the registration of trade companies and investment companies, respectively. The Ministry of Investment operates a “one-stop” online portal to facilitate registration processes and record owners and shareholders. In cases where a company is registered by a subsidiary, the parent company must register as well, although additional measures are required to adequately record beneficial owners. Articles 21 to 29 of the Commerce Law, No. 17/1999, provide for the commercial books that private sector entities must keep by virtue of their commercial activity for a period of five years, including financial statements of the company, as well as its liabilities and assets.

Regulations promulgated by the tax authorities and the Ministry of Finance guide the preparation of financial statements. Financial statements of public companies must comply with international accounting standards and be prepared by a licensed accountant (Law No. 159/1981).

Egypt does not expressly disallow the tax deductibility of expenses that constitute bribes given that bribery is a crime punishable by the Egyptian Penal Code No. 58 of 1937 and its amendments.

Measures to prevent money-laundering (art. 14)

The Egyptian AML legal regime consists principally of the AML Law (Law No. 80 of 2002 and its amendments) and its Implementing Regulations, as well as instructions and circulars issued by the Central Bank of Egypt, the EMLCU and other supervisory authorities, including those applicable to banks, money exchange companies, money remitters, insurance companies, and non-financial businesses and professions.

The Implementing Regulations designate the supervisory authorities competent to supervise financial institutions and designated non-financial businesses and professions. Those include: the Central Bank for banks, exchange companies and money remitters; the Financial Supervisory Authority for insurance companies and companies dealing with securities, financial leasing, real estate finance, and microfinance, the competent ministries for real estate brokers, traders of precious metals and stones, and gambling clubs; the Ministry of Communications and Information for the National Post Authority with regard to the financial services it provides; the Bar Association for lawyers; the Trade Union for accountants; and the EMLCU for any other financial institution or non-financial professions and businesses that are not subject to the mentioned supervisory authorities.

The financial intelligence unit (EMLCU) was established and commenced its operations in 2002. EMLCU receives and analyses suspicious activity reports and transmits the results of its analysis to the Public Prosecution. The unit joined the Egmont Group in 2004.

AML supervisory and law enforcement authorities cooperate and exchange information at both the domestic and international levels.

The Prime Minister's decree No. 63 of 2005 established the National Coordination committee against money-laundering, which aims to coordinate national efforts to combat money-laundering and terrorist financing and contribute to the implementation of relevant laws and regulations.

The "KYC Rules for Banks" for the year 2011 and the "KYC rules for Entities conducting money transfer activities" for the year 2012, both issued by the EMLCU, adequately cover the obligations of banks and other entities when executing electronic transfers.

The EMLCU has finalized the Money Laundering and Terrorist Financing National Risk Assessment Project which was adopted by the National Coordination committee

against money-laundering and terrorist financing and in coordination with the concerned authorities.

To comply with the AML requirements, all financial institutions and designated non-financial businesses and professions must have in place internal AML systems which include: customer and beneficial owner identification; ongoing monitoring of transactions; applying enhanced due diligence on high risk customers, accounts and transactions; record keeping and reporting of suspicious transactions (see art. 52 below).

The 2011 Customer Identification Rules for Banks and the 2012 Customer Identification Rules for Entities engaged in money transfer activities, updated by the 2019 Identification Rules, issued by the EMLCU, adequately cover the obligations of banks and other entities in carrying out electronic transfers.

Egypt adopts a declaration system of cash and bearer negotiable instruments upon entry into or departure from the country if the value exceeds ten thousand US dollars or its equivalent (Art. 12 of the AML Law and arts. 116 and 126 of the Law on the Central Bank, the Banking Sector and Money). The legislation also provides penalties for non-declaration or false declaration, including fines, imprisonment, seizure and confiscation.

The follow-up reports submitted to the MENAFATF show that Egypt has satisfactorily addressed the shortcomings identified in the World Bank's 2009 evaluation report, including those related to preventive measures and supervision.

Egypt actively contributes to the development and strengthening of regional and international cooperation on the fight against money-laundering, particularly through its active participation in the MENAFATF and in the Egmont Group.

2.2. Successes and good practices

- Broad stakeholder participation in the adoption of the second national anti-corruption strategy (2019–2022) (arts. 6 and 13);
- The development and implementation of the Egypt-based Corruption Perception Index, in consultation with civil society, academia and the general public (arts. 6 and 13);
- Article 14 of Law No. 40/1977, which treats funds of political parties as “public funds” for the purposes of the Penal Code (art. 7);
- Egypt actively contributes to the development and strengthening of regional and international cooperation on the fight against money-laundering, particularly through its active participation in the MENAFATF and in the Egmont Group (art. 14).

2.3. Challenges in implementation

It is recommended that Egypt:

- Continue to strengthen the quantitative reporting of the progress of implementation of the national anti-corruption strategy for the period 2019–2022 as part of the comprehensive monitoring, evaluation and oversight mechanism (art. 5);
- Consider taking measures to strengthen the identification and transparency of contributing donors to candidates for elected office and political parties (art. 7);
- Continue to develop and implement training programmes for the revised code of conduct for public servants, which was completed in 2018 (art. 8);
- Continue to take measures to issue the implementing regulations required to ensure activation of Law No. 106/2013 on the prevention of conflicts of interest (art. 8)

- Continue to take measures, in the context of the national anti-corruption strategy, to develop and implement the proposed law on the protection of whistle-blowers and reporting persons (art. 8);
- Continue to take measures to finalize and adopt the draft law regarding access to public information (art. 10);
- Expressly disallow the tax deductibility of expenses that constitute bribes (art. 12(4)).

3. Chapter V: asset recovery

3.1. Observations on the implementation of the articles under review

General provision; special cooperation; bilateral and multilateral agreements and arrangements (arts. 51, 56 and 59)

There is no general provision in the Egyptian law that regulates the issue of mutual legal assistance or asset recovery in spite of the existence of a number of legal texts relating to international judicial cooperation, according to which cooperation in this field must be addressed in line with the rules set out in the international conventions or on the basis of the principle of reciprocity (art. 18 of the AML Law). It should be noted that any treaty that is ratified and published has in Egypt the same legal force as Egyptian law, and its provisions, except those imposing a punishment or a coercive measure, are directly applicable without the need for legislative intervention (Article 151/1 of the Constitution). Egypt also has a draft law on judicial cooperation in criminal matters which is in the process of preparation.

The Office of International Cooperation, which is attached to the Office of the Prosecutor General, has been established. The Office has several functions, including preparing requests for legal assistance to be sent to foreign authorities through the international cooperation department at the Ministry of Justice and deciding on the execution of received requests after their submission to the Prosecutor General. Those requests include requests for asset recovery.

Egypt has never refused a request related to asset recovery to-date and has sent many requests for asset recovery based on the Convention.

Egyptian authorities spontaneously transmit information, especially in cases of money-laundering. The EMLCU has signed 27 memorandums of understanding with its foreign counterparts relevant to cooperation, including the spontaneous exchange of information. The Public Prosecution has also concluded several memorandums of understanding on direct cooperation with its foreign counterparts. The Arab Riyadh Agreement on Judicial Cooperation and other treaties to which Egypt is a party, include provisions on special cooperation. The authorities also spontaneously exchange information through the Egmont Group and INTERPOL.

Egypt has concluded numerous bilateral and multilateral international cooperation agreements in the areas of crime control and the tracing of criminals and proceeds of crime.

Egypt can cooperate in the area of asset recovery regardless of the existence of a treaty. In the absence of a treaty or convention, cooperation is based on the principle of reciprocity. The same set of measures and procedures that are available in domestic criminal proceedings, including those relating to the tracing, freezing, seizure and confiscation of property, are available in the context of such cooperation. Egypt implements the provisions of the Convention directly in cases where no relevant agreement applies.

Prevention and detection of transfers of proceeds of crime; financial intelligence unit (arts. 52 and 58)

Financial institutions and designated non-financial businesses and professions are subject to the AML requirements, in accordance with the AML Law (arts. 1 and 7–11)

and its Implementing Regulations (arts. 22 and 29–40). These requirements cover of customer due diligence (CDD), including customer identification and verification, beneficial owner identification, ongoing monitoring of transactions, periodic and continuous updating of data, record keeping, and reporting of suspicious transactions to the financial intelligence unit (EMLCU). The requirements also include assessing the risks of money-laundering and taking appropriate measures to manage those risks, and applying enhanced due diligence on high risk customers, accounts and transactions, including accounts of foreign and local politically exposed persons (PEPs), their family members and close associates.

The EMLCU has issued and circulated “KYC” rules to financial institutions including banks, exchange companies, securities companies and money remitters. These rules provide detailed instructions on money-laundering risk management systems, including persons, accounts and transactions that must be given particular attention.

The licensing procedures for banks stipulated in the Law on the Central Bank, the Banking Sector and Money and its executive regulations prevent the establishment of shell banks. The "KYC Rules for Banks" issued by the EMLCU, prohibit banks from entering into or continuing a correspondent relationship with a shell bank or with a bank that provides correspondent services to a shell bank.

Law No. 62 of 1975 on illicit gain requires a number of persons, including those in charge of the public authority and other employees of the administrative system in the State, except for the third-level categories, to declare their assets and the assets of their wives and minor children every five years and upon the end of service. Several bodies, depending on the person subject to declaration, examine the asset declarations, assisted by the Department of Illicit Gain at the Ministry of Justice. ACA also investigates cases of illicit gain upon the request of the Department of Illicit Gain. The law provides for criminal penalties (imprisonment and/or fines) if the declaration was not submitted or incorrect data were submitted. The confidentiality of declarations stipulated in article 17 of the Act does not preclude the possibility of sharing relevant information with foreign competent authorities pursuant to an MLA request related to a foreign criminal investigation.

The manual nature of the financial disclosure system makes it difficult to make maximum use of the information provided and to conduct effective oversight and review.

Egypt does not require appropriate public officials having an interest in or signature or other authority over a financial account in a foreign country to report that relationship to the authorities.

Measures for direct recovery of property; mechanisms for recovery of property through international cooperation in confiscation; international cooperation for purposes of confiscation (arts. 53, 54 and 55)

The general rules in the Civil Code on delictual liability and compensation for damage (art. 163) establish the right of an injured party, whether legal or natural, domestic or foreign, to initiate an action to establish ownership of property or a claim for compensation in the domestic courts. This right does not exclude foreign States.

The CPC allows those who have suffered damage from an offence to claim their civil rights (arts. 27 and 76). This also applies to foreign States. Article (102) of the same law requires that the items in regard to which the offence was committed or the items resulting from the commission of the offence be returned to those who have lost possession as a result of the offence.

Egyptian legislation does not allow for the enforcement of foreign confiscation orders with the exception of final criminal rulings issued by competent foreign judicial authorities concerning the confiscation of the funds resulting from money-laundering offence or proceeds thereof (art. 20 of the AML Law). Egyptian competent authorities may however issue a domestic confiscation order pursuant to a foreign request (art. 20 of the AML Law).

Egyptian legislation does not allow for non-conviction-based confiscation.

Egyptian legislation does not provide for the possibility of freezing or seizing property upon a foreign freezing or seizure order.

Egyptian competent authorities can freeze or seize property upon a foreign request where the same set of measures and procedures available in domestic criminal proceedings are available in the context of mutual legal assistance. Several national laws, including the CPC and the AML Law, provide for seizing or confiscating property obtained through, or used in, corruption-related offences.

The Egyptian legislation provides for a mechanism to preserve property for confiscation, which is based primarily on the provisions of the Civil Code. There is also a General Department for retained funds which was created by the Public Prosecutor in 1999, in addition to the Unit for retained funds in the Department of illicit gain. These mechanisms can be used within the context of international cooperation for asset recovery.

The Public Prosecution has the discretion to refuse the cooperation or to lift the provisional measures if it does not receive sufficient and timely information from the requesting State.

Return and disposal of assets (art. 57)

The general principle according to Egyptian legislation is that confiscated property is transferred to the public treasury and there is no provision in the law providing for the return of confiscated funds. However, article 102 of the CPC clearly states that the seized items on which the offence was committed or the items resulting from the commission of the offence must be returned to those who have lost possession as a result of the offence. In a judgment issued in 2017, the criminal court stated that it did not confiscate the retained funds since its source was proven and that it was obtained from the account of one of the foreign ministries and ordered that the funds be returned to its source again.

Egyptian legislation, especially article 30 of the PC, article 14 of the AML Law and article 104 of the CPC, preserves the rights of bona fide third parties in the seizure and confiscation of criminal proceeds. These articles also apply within the framework of international cooperation for asset recovery.

When a decision to return assets has been taken, it is the policy of Egypt to return assets without deducting any share, except in exceptional cases to cover reasonable costs, as provided for in the applicable agreements. There have been no cases to-date where Egypt has deducted expenses related to asset recovery.

Article 20 of the AML Law states that bilateral or multilateral treaties may be concluded to regulate disposal of funds for which a final ruling of confiscation has been issued by Egyptian or foreign judicial entities in money-laundering offences. Such treaties shall include rules for distributing the said funds among parties to the treaty, in accordance with the provisions stipulated therein. Egypt has not concluded any agreements related to asset sharing and there have been no cases involving asset sharing to date.

The provisions of the Convention are directly applicable in cases where no relevant agreement applies and take precedence over arrangements concluded on a case-by-case basis. A request received from another State party in accordance with article 57 would be executed accordingly.

Egypt does not impose any conditions on the return of assets.

Egyptian legislation also allows victims of crime to be compensated if they so request during criminal proceedings.

3.2. Challenges in implementation

It is recommended that Egypt:

- Continue its efforts to adopt special legislation that will regulate in detail the issues of international cooperation, including mutual legal assistance for asset recovery in line with the Convention (art. 51);
- Strengthen measures for designated public officials to declare assets and liabilities, as well as the internal oversight and review process, for example, by covering spouses (not just wives) and by adopting an electronic system for the submission of disclosures (art. 52(5));
- Consider requiring appropriate public officials having an interest in or signature or other authority over a financial account in a foreign country to report that relationship to appropriate authorities (art. 52(6));
- Take such measures as may be necessary to permit its competent authorities to give effect to an order of confiscation issued by a court of another State in relation to offences established under this Convention (art. 54(1)(a));
- Consider taking measures as may be necessary to allow confiscation of property acquired through or involved in the commission of an offence, without a criminal conviction, in cases in which the offender cannot be prosecuted by reason of death, flight or absence or in other appropriate cases (art. 54(1)(c));
- Take such measures as may be necessary to permit its competent authorities to freeze or seize property upon a foreign freezing or seizure order that provides a reasonable basis to believe that there are sufficient grounds for taking such actions and that the property would eventually be subject to an order of confiscation (art. 54(2)(a)).

3.3. Technical assistance

- Capacity-building for the prosecutors working on asset recovery (art. 51);
- Legislations on the return and disposal of assets in countries whose legal system is similar to the Egyptian system in addition to workshops to highlight good practices in this field (art.57).
