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Navigating the Legal and Regulatory Landscape in Egypt

SPEAKERS

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OVERVIEW

In this session at FHS Egypt 2026, Elias Hayek of Greenberg Traurig delivered a focused legal and regulatory roadmap for developing mixed-use hotel and branded residential projects with rental programs in Egypt. He framed the challenge around three distinct but interrelated businesses — residential sales, hotel operation, and unit rental — each governed by different regulators and carrying its own risk profile. The session walked through five critical regulatory 'gates' that must be cleared before underwriting, covering investor and buyer eligibility, tourism licensing, title and ownership structures, owners' union governance, financial regulation of rental programs, and tax and currency considerations. The overarching message was that legal and regulatory alignment must be built into project structure from day one, not treated as a later-stage formality.

KEY THEMES

- Multi-regulator navigation for mixed-use hotel and branded residential projects
- Tourism licensing categories and rental program approvals
- Buyer and investor eligibility under Egyptian law
- Owners' union governance and common area control
- Financial regulation of rental income and risk of securities classification
- Tax, currency, and lender structuring considerations

TAKEAWAYS

- Clear five regulatory gates before underwriting: confirm you can sell and to whom, buyers can register title, transient guests can legally stay in units, resident rights survive resale or default, and financial projections survive tax and currency rules.
- Produce a structure memo first — mapping entities, title, licenses, and cash flows — before approaching any regulator. This memo is the prerequisite to every subsequent conversation.
- Tourism licensing is based on defined categories, not business model labels; test your rental program against each of the three routes (hotel licence inclusion, independent hotel apartment licence, or holiday home certification) and get written clarity from the Ministry before sales launch.
- Rental income that is pooled, guaranteed, or marketed as passive income may trigger oversight from the Financial Regulatory Authority and potentially foreign securities laws — obtain a regulatory opinion before launch.

- Control over common areas and service standards must be engineered into the sales contracts, deeds, and union bylaws as one coordinated package; the developer can lead but cannot unilaterally levy charges or treat common parts as its own.
- Address lender consent for land mortgages and negotiate nondisturbance and step-in rights covering the hotel licence and operator early, to protect already-sold homes if the bank enforces against a single title.

QUOTES

> *"If the hotel closes or a bank enforces its security or the operator changes, residents must not be denied or lose their essential services."*
>
> **— Elias Hayek, Shareholder & Co-Chair of the Middle East and European Hospitality Group, Greenberg Traurig**

> *"Just because a unit has a residential title doesn't mean it's taxed as a residence once it's operated as part of a touristic business."*
>
> **— Elias Hayek, Shareholder & Co-Chair of the Middle East and European Hospitality Group, Greenberg Traurig**