

New Labour Law

From Draft to Reality: A Closer Look at Egypt's Long-Awaited Labour Law

- After much anticipation, Egypt's new labour law—Law No. 14 of 2025 (the “**New Law**”)—has been officially published and will come into effect on 1st September 2025.⁽¹⁾
- Employers are encouraged to begin reviewing their current practices to ensure compliance with the upcoming changes.
- In this newsletter, we provide an overview of the key provisions of the New Law and their potential implications for the workplaces.

1. Duty to send employees' data by 1 October 2025

- Employers are required to submit a detailed statement to the Ministry of Labour within 30 days from either the date the New Law comes into effect (i.e., by 1 August 2025) or from the date the establishment commences operations—whichever is applicable. This statement must include data on the number of employees, according to their qualifications, occupations, age groups, nationalities, gender, and the wages they receive.
- Employers are required to submit updates reflecting any changes to this information on an annual basis on January.
- The competent authority is responsible for informing the social insurance authority with a copy of the above-mentioned data.

2. Employment Contracts

- The New Law has removed the restrictions that were introduced in earlier drafts concerning the maximum number of renewals allowed for limited-term contracts before they would automatically convert into indefinite-term contracts. The New Law has also eliminated the previously proposed requirement for a minimum one-year duration for fixed-term contracts. Accordingly, limited-term contracts remain limited-term contracts for as long as they are properly renewed before the lapse of their term.



(1) While there have been some arguments suggesting that the law will enter into force on 1 August 2025, oral confirmation received from the Cabinet indicates that the official effective date shall be 1 September 2025.

3. Vocational Training Fund

- For establishments with 30 or more employees, the New Law replaces the old contribution of 1% from the net profits to 0.25% of the total minimum monthly wages upon which the social insurance contributions are being calculated. The New Law has set a minimum cap of EGP 10 and a maximum cap of EGP 30 per employee. The contributions shall be paid on a monthly basis.
- The New Law states that the Minister of Labour shall determine the conditions and rules regulating the full exemption from the obligation to pay this contribution for establishments that provide training to their employees according to their needs or their approved regulations.

4. Social, Health and Cultural Fund

- The New Law increases the minimum annual subscriptions to the Social, Health and Cultural Services Fund to become an amount of not less than EGP 8 and not more than EGP 16 per employee up from the previous minimum subscription of 5 pounds per employee under the Labour Law No. 12 of 2003 (the “**Old Law**”). In addition, the New Law grants the employer the right, in the event that the services above are provided, to deduct the value of those services or benefits or deduct 70% of the amount due to the fund annually, whichever is lower.

5. Equal Wages

- All employees are entitled to equal pay for work of equal value. This includes all forms of wages and their components, whether monetary or in-kind benefits, bonuses, incentives, allowances, or others.

6. Foreign Employment

- The employer is obliged to notify the competent authorities if the foreign employee is absent from work for fifteen consecutive days without legal justification. In addition, the employer must cover the cost of repatriating the foreign employee to the country from which he was invited when the employment relationship ends, unless the employment contract stipulates otherwise.

7. Female Employees

8. Employees' Files and Record Keeping

See Snapshot Comparison between Old Law and New Law.

- The New Law grants employers the right to maintain employees' files in electronic format. It also requires that proof of social insurance of the employee must be added to the employee's file.
- The New Law extends the mandatory retention period for employees' files to five years from the date of termination of employment, instead of one year under the Old Law.
- The New Law allows employers to maintain an electronic register to record financial penalties imposed on employees, offering flexibility in record-keeping methods.
- Establishments employing people with disabilities are required to maintain either a written or electronic register that records the names of disabled employees.
- The New Law has adjusted the duration of annual leave entitlements for employees based on the employees' length of service, age and group.

See Snapshot Comparison between Old Law and New Law.

9. Leave

10. Sick Leave

- The New Law introduces an obligation on the employer to pay the wage for sick leave determined by the competent medical authority, after deducting the percentage borne by the Social Insurance Authority. This is unlike the Old Law which provides that the employer's obligation in this regard is fulfilled by paying the employee's social insurance contributions, which include health insurance and paying the wage during sick leave.
- However, the obligation is not clear on whether it applies to industrial establishments only or to all employers. Further clarification is expected once the executive decrees are issued by the competent minister.
- The New Law provides that the competent medical authority shall prohibit an employee who has been in contact with a family member suffering from a contagious disease from performing their work for an appropriate period, not exceeding three months. The specific contagious diseases shall be determined by a decision issued by the Minister of health affairs.

11. Public Holidays

12. Employees' Obligations

13. Labour Courts and Right to Appeal

14. Investigation Procedures and Disciplinary Penalties

- The New Law gives employees the option to choose between receiving the standard overtime payment for working on a public holiday or taking another day off instead. If an employee opts for the day off, it must be granted upon a written request by the employee and retained in the employee's employment file.
- The New Law provides that employees are required to undergo medical testing for drug use or infectious diseases when and if requested by the employer, at the employer's expense. The medical tests shall be conducted by the General Authority for Health Insurance or the Central Laboratories of the Ministry of Health.
- Under the New Law, effective from 1 October 2025, specialized labor courts will be established to adjudicate labor-related disputes. The New Law mandates that in cases involving employee dismissal, the court must render a decision on an expedited basis—specifically, within three months from the date of the first hearing.
- Appeals by way of cassation shall not be permitted against judgments issued by appellate circuits specializing in offenses related to labour laws, regulations governing employment relations, and social insurance rights, except where the judgment imposes a custodial sentence.
- Under the New Law, the legal department of the establishment is designated as the competent department to conduct employee investigations. The employer may only delegate the investigation to another individual under specific conditions and solely in the absence of a legal department. This is unlike the Old Law which allowed greater flexibility by permitting the employer to conduct the investigation itself or through the legal department or any other employee or experienced person as it sees fit, provided that the job level of the investigator is not less than the level of the employee being investigated.
- Unlike the Old Law, which did not impose a maximum timeline for the investigation, the New Law introduces a maximum period of three months from the date of starting the investigation. This period can be extended once for an additional three months if new facts or documents emerge during the course of the investigation.
- Under the Old Law, an employee's penalty could be aggravated if they committed a repeat offense of the same nature within six months of being notified of the previous penalty. The New Law extends this period to one year, allowing for a longer timeframe within which repeated violations may result in stricter disciplinary action.

15. Termination and Compensation

A. For limited term contracts

- The New Law introduces an end of service gratuity entitlement equivalent to one month's salary for each year of service, payable in case of terminating a fixed term contract by the employer. However, the New Law does not clearly specify whether this gratuity applies only in cases of pre-mature termination, or whether it also extends to cases of non-renewal or termination upon expiry of the contract's term. Further clarification is expected through the practical application and future court precedents.

B. For unlimited term contracts

- Similar to the Old Law, if the employer terminates an unlimited term employment contract without a legitimate reason, the employee is entitled to compensation of not less than two months' salary for each year of service.
- Under the New Law, employee's resignation may be submitted by the employees or their representative, and it must be authenticated by the competent administrative authority. This is unlike the Old Law, under which resignation could be submitted directly by the employee without any official authentication. Additionally, the New Law grants the employee the right to revoke a resignation within 10 days of being notified of the employer's acceptance, extending the previous 7-day period provided under the Old Law. The revocation must also be authenticated by the competent administrative authority.
- Unlike the Old Law, the New Law treats an employee's unjustified absence as a presumed resignation rather than a ground for disciplinary termination. Specifically, absence for more than twenty non-consecutive days within a single year, or more than ten consecutive days, is now considered a presumed resignation under the New Law.
- The New Law introduces provisions addressing workplace harassment and bullying placing a clear obligation on employers to provide a safe work environment free from harassment and abuse.

16. Resignation

17-Harassment and Bullying

18. New Employment Patterns

19. Duty to Notify Competent Authority with Advertising Vacant Jobs

20. Penalties

- The New Law provides that the provisions applicable to traditional employment relationships shall also apply to new work patterns including remote work, part-time work, flexible work and job sharing. We believe this is more of a formal recognition than a substantive legal innovation. These forms of work have always been treated as falling within the scope of an employment relationship under the Old Law, provided the two core elements of employment were present: (i) the payment of wages and (ii) the existence of employer administration and supervision. We believe that the New Law has simply spelled out these concepts. Further clarity on the implementation and scope of these work patterns is expected through the application of the New Law in practice and the issuance of executive regulations.
- The New Law provides that the employer or employment agency must notify the competent authority, either in writing or electronically, of the job vacancy advertisement and provide a report on the positions that have been filled accordingly.
- The New Law introduces significant changes to the penalties associated with various violations. The penalties have been increased for certain violations, and new penalties have been introduced for others, including non-compliance with work permits, social and health funds, and workplace regulations.



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Our Employment team welcomes your questions