



**Amendment of the Executive Regulations of the Companies Act:  
Removal of the Minimum Capital Requirement for LLCs.**

Pursuant to the amendment of the Companies Act No. 159 of 1981 by virtue of law No. 68 of 2009 (see our previous Newsletter), whereby the minimum capital requirement for the incorporation of Limited Liability Companies (“LLCs”) was removed, the executive regulations of the Companies Act have, as expected, been accordingly amended by a Decree No. 90 of 2009, dated May 21, 2009.

This amendment is certainly welcome since it aims at easing the process of incorporation of LLCs. However, its actual added value and effect, either from a legal or economic viewpoint, should not be as significant as the legislator may have intended it to be. Indeed, as recently as 2008 (Decree No. 11 of 2008), the minimum capital requirement for LLCs had already been reduced to the modest amount of EGP 200. Therefore, removing such a requirement would not engender an unprecedented rush for the incorporation of such companies.