

THEIR MONEY IS OUR BOOTY

The Threat to Business and Local Investment Under the Guise of the War on Terror in Egypt



EGYPTIAN FRONT
FOR HUMAN RIGHTS

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INVESTMENT IN EGYPT



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Executive Summary

With the launch of the war on terror policy since 2013, the policy of seizing assets and companies represented a fundamental aspect of this policy towards the Muslim Brotherhood and its members in general, which also included others who are considered to be members of the group or are close to it. This policy brought to mind once again the scenario of seizing assets and private property according to political determinants in previous decades with the establishment of the Egyptian Republic in 1952.

However, the encroachment on companies, funds and private property under the guillotine of the war on terror laws, and the exceptional measures associated with them, has gone far beyond members of the political Islam movement and the Muslim Brotherhood, and has become a broad threat to the local business and investment community in Egypt.

This report addresses the reality of targeting private companies, properties and funds in Egypt since the start of the war on terror until now. The report depicts this reality by providing a legal reading of the legal texts and judicial procedures that have given free rein to the security agencies working in the field of combating terrorism to pursue the money sector and private companies, and to collect the necessary information about them without restriction or accountability and without justifications in many cases other than suspicion, which violates the legal texts protecting the confidentiality of financial and economic data. The report addresses the most prominent bodies and agencies responsible for the file of seizing and tracking companies, such as the Anti-Money Laundering and Counter-Terrorism Unit and the loopholes in their work in the scope of seizing and tracking, in addition to the administrative and judicial seizure committees, as well as the security agencies.

The report combines this legal and procedural judicial framework with a series of facts and testimonies from company owners, their relatives or employees, which the Front was able to obtain during the period 2013-2024, who faced these actual seizures, and also faced a series of legal and financial consequences that were extremely harmful to their businesses and their legal and natural person.

The Egyptian authorities, through this illegal and unconstitutional targeting, targeted a solution to a series of its financial and economic crises and the re-engineering

and management of the Egyptian market according to its preferences in a manner that contradicts the principles of the free market, labor laws, and human rights. The report aims to shed light on these blatant violations against local investment in Egypt, and what it represents as an obstacle to Egypt's integration into the global economy, and a breach of its international economic obligations, and the rights of citizens and investors in it, which exacerbates its internal economic crisis, and makes it an unsafe environment for investment and the free economy. Through this report, the Front calls on the Egyptian authorities and its international partners to work to correct these mistakes and practices, and for the various state agencies - especially the security agencies - to commit to the scope of their work and not exceed their jurisdictions.

Index

Executive Summary_____	4
Introduction _____	7
Methodology _____	8
First: Precedents of Politically Motivated Confiscations and Custody in Egypt _____	9
Second: Freezing and Guarding Funds and Adding Them to the Public Treasury After 2013 _____	13
Third: Facts of Targeting Companies and Businessmen_____	17
Market engineering with security grip_____	20
Seizure of Assets and Funds During Raids _____	23
Expanding targeting of corporate clients and business owners _____	24
Personal companies and joint stock companies_____	26
Who is harmed by the pursuit of investment and business? _____	28
Conclusion_____	30

Introduction

The war on terror has led to the expansion of exceptional powers and authorities, resulting in massive human rights violations, including arbitrary arrests, torture, and enforced disappearances.

The exceptional powers granted by anti-terrorism laws and similar legislation have not been limited to personal and civil rights violations; they have also been accompanied by legal and financial measures that allow the seizure of assets belonging to individuals accused of terrorism, a practice known as inclusion on terrorism lists.

A decade after the implementation of asset seizures and the confiscation of funds owned by individuals and companies under these terrorism lists, it is evident that these practices have expanded uncontrollably. They now target the private business sector and local investments on both medium and large scales, including the private property of individual citizens.

This research examines the practice of asset and property seizures carried out in the context of the war on terror—both officially and under the infamous procedure known as the terrorist and terrorist entity listings. These measures contradict investment and labor laws and are reinforced by security agencies' confiscation and seizure practices, which increasingly target non-politicized individuals, their private companies, and economic sectors where state agencies are gaining influence. The research also explores the profound consequences of these legally codified and unofficial security practices on local investors and private sector actors in Egypt. By shedding light on their experiences, the research presents a more comprehensive picture of how these policies contribute to the suffering of the private sector and local investment, exacerbating Egypt's ongoing economic crisis.

Methodology

The research methodology relied on a desk review, examining the exceptional laws issued by the authorities for this purpose and the judicial rulings under which companies and businessmen were detained and their assets confiscated. Additionally, the research analyzed case documents involving nine victims, businessmen and company employee, during the period from 2017 to 2022. It also incorporated documentation and personal interviews conducted between 2021 and 2024 with three victims who had directly experienced property rights violations by Egyptian security forces during the war on terrorism. Furthermore, the research sought the expertise of a lawyer familiar with the legal and procedural aspects of this form of targeting.

The significance of this research lies in its focus on the alarming increase in the targeting of companies and businessmen and its impact on undermining private investment in Egypt. This, along with other factors, contributes to the ongoing economic deterioration in Egypt.

First: Precedents of Politically Motivated Confiscations and Custody in Egypt

Property rights have enjoyed early constitutional protection in various Egyptian constitutional documents since the 1923 Constitution, through successive constitutions, and up to the current Egyptian Constitution issued in 2014. These rights have been established and affirmed constitutionally despite the different orientations of economic systems, especially in the 1950s and 1960s during the era of President Gamal Abdel Nasser. Property rights were codified by emphasizing the criminalization of public confiscations and limiting private confiscations to cases where a judicial ruling mandated them, as they were primarily a punitive measure. Political confiscations became well-known in the period following the July 1952 Revolution, reaching their peak during the era of President Gamal Abdel Nasser. [This period](#) focused on confiscating the funds, properties, and assets of the royal Muhammad Ali family under Law 598 of 1953, as well as the funds of political parties. These confiscations were driven by the desire of the nascent regime at the time to consolidate its political foundations.

In addition to confiscation procedures, other measures were also common at that time, such as administrative custody of funds—which had been applied in Egypt since World War I—placing the funds of specific individuals or entities under custody as a security measure for the “public interest”. This practice became widespread against foreigners and foreign banks after July 1952, particularly targeting those working in the economy. Its applications and objectives expanded, with the most prominent forms being emergency custody—under the Emergency Law—and security custody, which was issued by a decision of the President of the Republic under Law 119 of 1964.

By the end of the 1960s, some estimates suggest that confiscation decisions [affected](#) approximately 600 individuals between October and December 1960, based on charges such as being reactionary capitalists. Many of these cases were also tainted by claims of arbitrariness, especially as they targeted non-political individuals based



Members of the Egyptian Revolutionary Council

on political considerations. Following the death of President Gamal Abdel Nasser, many of these decisions were reversed. When President Sadat assumed power, he issued laws to dismantle the guardianship system and shifted the state's economic orientation toward encouraging a free economy, the private sector, and both local and international investment.

During President Mubarak's era, political confrontations with financial consequences were primarily linked to the state's conflict with the Muslim Brotherhood, particularly its major businessmen. This led to the targeting of businessmen affiliated with the group, the companies they headed, and the institutions associated with them. Businessmen Hassan Malek and Khairat El-Shater were perceived by security authorities as the economic masterminds managing the Brotherhood's financial assets and investments. As a result, they were consistently at the forefront of businessmen targeted by the authorities. They were among the few opposition forces with clearly organized economic investment arms.

The year 1992 marked a milestone and a significant precedent in targeting private companies in Egypt, particularly in the case known in the media as the "Salsabil" case. Salsabil was a computer and information technology company owned by three of Egypt's most prominent businessmen: Hassan Malek, Khairat El-Shater, and Taher Abdel Moneim. The narrative of this case varies between claims that the charges stemmed from an alleged attempt to infiltrate state institutions and spy on security agencies, and claims that the [charges](#) were related to money laundering.

The authorities extended their actions to other companies affiliated with or linked to Salsabil, arresting its owners, searching their homes, and closing the company's main offices and branches—as well as other related companies—without judicial authorization.

The State Security Service's raid on the company's headquarters, its confiscation of funds and documents, the seizure of properties, and the prosecution of its owners on money laundering charges raised doubts about the legitimacy of the national security threat narrative. This was particularly questionable since the competent authority for investigating such cases was the Public Funds Investigations Department. The case was eventually closed, and all defendants were released after 11 months of investigations. However, security measures remained in place, with guards appointed to oversee the companies.



Former President Hosni Mubarak

Then, Military Case No. 2 of 2007 marked a significant moment in the pattern of economic targeting on a political basis. In this case, the prosecution ordered the closure of 68 companies, including 15 joint-stock companies, without legal justification. It also confiscated the funds of the accused, as well as those of their wives and minor children, [without](#) sufficient evidence or charges. Despite the defendants' acquittal on money laundering charges, the seizure of their funds and properties [continued](#) until 2012.

The Mubarak regime justified such targeting using the general penal provisions for terrorism-related crimes outlined in Chapter Two of Book Two of the Penal Code, covering felonies and misdemeanors that harm the government from within (Articles 86 to 102 bis). Additionally, the regime relied on special penalties contained in Anti-Money Laundering Law No. 80 of 2002 and the former Central Bank, Banking, and Monetary System Law No. 88 of 2003.

Mubarak did not tend to issue exceptional laws to legitimize or codify these procedures, nor did his regime establish parallel judicial entities or criminal circuits to rule on such cases and punish political opponents. Instead, when the regular judiciary did not serve his purposes, he resorted to referring these cases to military



courts¹ under Article 6 (now repealed) of the Military Judiciary Law, which allowed the President of the Republic to refer civilians accused of certain common law crimes to military courts. Although this practice resulted in unjust and unappealable rulings, it contributed—at least to some extent—to maintaining the neutrality of the regular judiciary and preventing its direct involvement in the regime’s political disputes.

There are no documented facts or testimonies indicating that Mubarak and his regime expanded their targeting of private sector companies or investments beyond the well-known cases involving the Muslim Brotherhood. Compared to the current regime, Mubarak’s policies appeared more restrained in terms of the categories of people targeted, the laws used, and the judicial bodies involved. This was likely due to the state’s desire at the time to maintain economic growth, encourage private investment in Egypt, and attract foreign investors.

1 Article 6 of the Military Judgments Law No. 25 of 1966, before it was repealed by Law No. 21 of 2011, stipulated that 'the provisions of this law shall apply to the crimes stipulated in Chapters (One and Two) of Book Two of the Penal Code and any crimes related to them, which are referred to the military judiciary by a decision of the President of the Republic. Whenever a state of emergency is declared, the President of the Republic may refer to the military judiciary any of the crimes punishable by the Penal Code or any other law.'

Second: Freezing and Guarding Funds and Adding Them to the Public Treasury After 2013

The current Egyptian constitution, amended in 2019, emphasizes the state's encouragement of private property and its responsibility to protect it. It explicitly prohibits encroachment upon or confiscation of private property except through final judicial rulings. Furthermore, the constitution commits to encouraging and supporting both the private sector and investment, as stated in Articles 27², 28³, 33⁴, 35⁵, 36⁶, and 40⁷. However, the political and security context reflects a different reality, in which threats and attacks on private property have expanded under legal and security justifications. Without stability in this regard, it becomes impossible for the private sector and local investment to continue and function effectively.

2 "The economic system aims to achieve prosperity in the country through sustainable development and social justice, ensuring the real growth rate of the national economy, raising the standard of living, increasing job opportunities, reducing unemployment rates, and eliminating poverty. The economic system is committed to standards of transparency and governance, supporting competitiveness, encouraging investment, and promoting balanced growth geographically, sectorally, and environmentally. It also seeks to prevent monopolistic practices while maintaining financial and commercial balance and a fair tax system, regulating market mechanisms, guaranteeing different types of ownership, and balancing the interests of various stakeholders in a manner that preserves workers' rights and protects consumers. Additionally, the economic system is socially committed to ensuring equal opportunities, fair distribution of development benefits, reducing income disparities, and upholding a minimum wage and pension that guarantees a decent life, as well as a maximum wage for state agency employees, in accordance with the law."

3 "Productive, service, and information-based economic activities are essential components of the national economy. The State is committed to protecting these activities, enhancing their competitiveness, fostering an attractive investment climate, increasing production, encouraging exports, and regulating imports. The State pays special attention to medium, small, and micro enterprises in all sectors and works to organize and integrate the informal sector."

4 "The State shall protect ownership in its three forms: public, private, and cooperative ownership."

5 "Private property is protected, and the right to inherit it is guaranteed. It may not be placed under guardianship except in cases specified by law and by a judicial ruling. Property may not be expropriated except for public benefit and in return for fair compensation paid in advance, in accordance with the law."

6 "The State shall work to encourage the private sector to fulfill its social responsibility in serving the national economy and society."

7 "Public confiscation of property is prohibited. Private confiscation is not permitted except by a court order."

Following the ouster of the late President Mohamed Morsi, security policies aimed to restrict and drain the financial resources of businessmen and companies affiliated with the Islamist movement, particularly the Muslim Brotherhood and its supporters, in an effort to prevent any future mobilization at both the local and international levels.

The exceptional measures that were later codified under anti-terrorism legislation in the economic sphere began early on. On February 24, 2014, the Cairo Court of Urgent Matters ruled in Case No. 3343 of 2013, declaring the Muslim Brotherhood (MB) a terrorist group, which necessitated its legal prohibition. Following this ruling, the Council of Ministers issued [Resolution](#) No. 579 of 2014 to enforce the decision against members of the MB in general, subjecting them to the penalties stipulated for terrorism-related crimes under Egyptian law at the time. As a result, financial consequences tied to terrorism-related crimes were also applied.

One of the direct outcomes of this decision was the formation of a committee within the Ministry of Justice, known as the Committee for the Seizure and Management of the Muslim Brotherhood's Funds, tasked with seizing and managing their assets. This committee identified individuals and companies whose assets were to be confiscated, relying heavily on security investigations.

The legal basis for these asset seizures and freezes was found in the procedural provisions of Articles 208 bis (a, b, c, d) of the Criminal Procedure Code No. 150 of 1950, which authorize the Public Prosecutor to issue asset seizure decisions under certain conditions while investigating specific crimes. Additionally, these measures were supported by the penal provisions related to state security crimes found in Chapters One, Two, and Two bis of Book Two of the Penal Code No. 58 of 1937, as well as the Anti-Money Laundering Law No. 80 of 2002.

However, the shift toward a specialized and more targeted approach in security and legal policies concerning terrorism meant that agencies such as the National Security Agency (NSA) gained significant authority in investigations, accusations, and the identification of suspects—whether individuals or legal entities. These agencies were responsible for gathering intelligence, presenting evidence to the six terrorism circuits [established](#) by the Cairo Court of Appeal, which were distinct from regular criminal courts that typically do not rely on National Security investigations for convictions.

Since the National Security Agency was tasked with investigating terrorism-related crimes, it also became responsible for monitoring and assessing economic entities and institutions. This authority was further solidified by the issuance of [Law No. 8 of 2015](#), which regulated the lists of terrorist entities and terrorists and introduced what became known as the inclusion lists. These lists imposed severe financial and legal consequences on both individuals and companies. The first wave of inclusions targeted a wide range of individuals, including political figures, businessmen, and company owners—some of whom were arrested and sentenced, while others had their assets frozen through administrative measures even before the law was enacted.

Importantly, the inclusion of names on these lists was based solely on National

Security investigations submitted to the Public Prosecution, without [requiring](#) a final court ruling or any alternative verification mechanism. In the case of companies, inclusion on these lists resulted in the immediate suspension of activities and the freezing of their funds, assets, and properties. The same applies to institutions and economic entities that partner with these companies, hold shares in them, manage them, or control them directly or indirectly.

For individuals on the lists, additional penalties were imposed, including travel bans, placement on watch lists upon arrival, and restrictions preventing them from meeting the “good reputation” requirement needed to establish or manage private economic companies and institutions. These restrictions lasted five years, subject to renewal, deepening the negative economic and financial impacts on businesses and personal property.

The enactment of Law [No. 94 of 2015](#), which expanded the scope of terrorism financing, further reinforced these measures. Under Article 47, the Public Prosecution was granted broader authority to enforce Articles 208 bis (a, b, c, d) of the Criminal Procedure Code No. 150 of 1950, allowing it to immediately order the seizure and freezing of the funds of accused individuals and their families without prior approval from the competent court. Article 48 introduced an additional exceptional measure by allowing the Public Prosecution to [access bank account data](#) and deposits of individuals or companies without prior authorization from the Cairo Court of Appeal, bypassing traditional procedures for lifting banking confidentiality.

Following the same approach, Law [No. 22 of 2018](#), which established the Committee for the Preservation of the Assets of Terrorists and Terrorist Entities, imposed additional restrictions. Article 15 of this law authorized the committee to impose a custodial sentence of one year in prison on any party, bank, or entity that refused to cooperate by providing the committee access to all requested documents, information, data, and accounts at the specified times—without the need for judicial approval. This committee was formed from judges of the Courts of Appeal, yet its members were appointed by the President based on the Minister of Justice’s nomination, giving the executive authority significant influence over its work and decisions.

A central theme in anti-terrorism laws was the handling of seized funds, properties, and companies. These laws allowed for the management, custody, and eventual confiscation of assets by transferring them to the state treasury. Article 11 of Law No. 22 of 2018 explicitly states:

"With due regard to the rights of bona fide third parties, the Committee shall have the right, when the seizure decision becomes final, to dispose of the seized funds in the manner specified in the Civil Code and Civil and Commercial Procedures, provided that the operative part of the judgment stipulates the disposal of the funds, by transferring their ownership to the public treasury based on the Committee's request to the competent court."

The amendments introduced by Law No. 14 of 2020 to the lists of terrorists and

terrorist entities further reinforced asset seizures. Article 8 states that frozen and seized funds must be handled in accordance with the custodianship rules, specifying that:

"In cases where the nature of the frozen funds or other assets requires the appointment of a manager, the court's decision must specify who will oversee these funds or assets after consulting the Public Prosecution. The appointed manager must take inventory in the presence of concerned parties and a representative of the Public Prosecution or an expert appointed by the court. The manager is obligated to preserve, manage, and return the funds along with any generated revenue in accordance with the Civil Code's provisions on agency in management, deposit, and custodianship."

Article 8 bis expanded the grounds for seizing funds based on suspicions rather than concrete evidence, stating:

"If serious information or evidence exists regarding movable or immovable funds obtained through terrorist activities or used for terrorism financing—whether the involved entity is listed or not—the Public Prosecutor may order their seizure and prevent disposal. This order must be submitted to the designated judicial circuit within one month for confirmation, cancellation, or modification."

Meanwhile, Law No. 22 of 2018 restricted appeals against committee decisions to the Cairo Court for Urgent Matters, effectively excluding Egypt's Supreme Courts from reviewing these cases. Over the past years, these courts have consistently rejected appeals, ruling against individuals and entities challenging asset seizures.

Third: Facts of Targeting Companies and Businessmen

“Investment in the Arab Republic of Egypt aims at improving the national economic growth rates and the domestic production rates, as well as provision of employment opportunities, promotion of exports, and boosting of competitiveness which contribute to achieving the comprehensive and sustainable development. All the Competent Authorities in the State seek attracting and promoting of the local and foreign investments.”

Article 2 - Investment Law No. 72 of 2017

“The Investment Projects may not be nationalized. The Investment Projects' property may not be expropriated except for the public utility, and for a fair compensation to be paid in advance without delay, and whose value shall equal the fair economic value of the expropriated property on the day preceding the expropriation decision date. Such compensations shall be remittable with no restrictions.

These Projects may not be sequestrated through administrative procedures, except under an irrevocable court judgment. Further, these Projects may not be seized except under a court order or judgment, and only in the cases stated in the Law.

The Investment Project's property may not be attached, confiscated, or frozen except under a court order or irrevocable judgment, except for the tax debts and social insurance subscriptions due to the State which may be collected through all types of attachment, without prejudice to the contracts concluded by the State or the public legal persons with the Investor.”

Article 4 - Investment Law No. 72 of 2017

As previously mentioned, the primary target of the wave of asset freezes and seizures since 2013 has been the Muslim Brotherhood and businessmen affiliated

with or associated with it. The volume of assets seized in some years, such as 2015, was estimated at [532 companies](#), and in 2018, the number of companies seized reached [118](#), with the total value of these seizures in 2018 amounting to about 300 billion Egyptian pounds at the time ([\\$16.7 billion](#)). The first years of the war on terror resulted in the liquidation of financial entities and companies that were already classified by security agencies as being largely linked to the Muslim Brotherhood. The end of this first wave was followed by the launch of a second wave targeting local companies and businessmen.

What is striking about the next wave, as evidenced by the facts and recorded cases, is that the targeting now includes a wider spectrum of companies: large-scale companies, as well as medium and smaller companies whose violations did not receive much human rights or media coverage.

Two main factors played a role in this systematic targeting of the investment and business sector. The first was the nature of the financial crisis in the Egypt, which prompted the state and its agencies to search for multiple sources of funding for the treasury. The seizure and confiscation operations revealed the size of the financial resources that could be pumped into the treasury, which could contribute to overcoming the state revenue crisis, as well as forcing businessmen and companies to participate in economic projects adopted by the political authority that were not welcomed by the local business community. The second factor was the powers of the security services, which were legally and materially codified, allowing these agencies to collect any possible information about businessmen, company structures, financial portfolios, and movable and real estate properties—whether in the possession of official and economic agencies or others—and to target the workers in these companies and their owners without subsequent oversight by any judicial or administrative body to correct them, especially in the case of medium and small companies.

Since then, a growing pattern of targeting businessmen and companies—particularly locally owned ones—has crystallized under the umbrella of accusations of “terrorism and terrorist groups” or other charges in order to pressure them to give up their properties, force them to enter into partnerships with state-owned companies, or buy out struggling companies for large sums that those businessmen [would not normally accept](#), or to donate large sums to sovereign funds on an ongoing and periodic basis.

The category of major businessmen who fell into this circle included figures such as businessman Salah Diab, who was targeted first in 2015 and again in 2020 and ultimately complied with the demands placed upon him, as well as businessman Mohamed El-Amin and businessman Hassan Rateb, who was accused of illegal excavation for antiquities—despite his insistence that he did so with the [knowledge](#) of official authorities—and ended up giving up shares in his investments in Sinai, including the Sinai Cement Factory, in favor of a partnership with entities from sovereign agencies.

The same thing happened with businessman El-Suwaitky, who was accused of failing to comply with industrial safety regulations in his facilities. He spent some time in



Egyptian businessman Safwan Thabet and his son Saif.

prison before being released after relinquishing assets, including lands and shops belonging to him.

This pattern included businessman Ahmed El-Ezaby, owner of El-Ezaby Pharmacies, who was arrested and threatened with lawsuits. He ultimately succumbed to offers of partnership with the Egyptian Sovereign Fund to establish a new company between the two parties, with the Egyptian Fund now owning 49% of the shares in this new company. Additionally, El-Ezaby was compelled to make a large [donation](#) to a government agency.

Perhaps the most prominent case that received the greatest media and legal resonance was that of businessman Safwan Thabet and his son Seif Thabet, owners of the Juhayna Company. The case began with the seizure of Safwan and his family's personal assets. Despite this, his partnership with the state and his donations to its sovereign funds continued. However, his refusal to merge one of his factories with a state-owned dairy factory that was to be established, and his refusal to buy financially struggling state-owned food companies—after a request from a minister—led to his arrest on charges of financing terrorist entities and harming the economy.

The pattern of accusing businessmen—especially those who oppose the government or are not closely aligned with it—has consistently relied on notorious charges such as joining terrorist groups and financing terrorist entities, based on investigations

and information from the National Security Agency. These accusations allow for decisions to seize their money and assets, in addition to placing them under legal scrutiny.

The most prominent of these cases involving businessmen include:

- Case No. 930 of 2019, known as the “Hope Alliance”, which included businessman Mustafa Abdel Moez and resulted in the seizure of 19 companies with an estimated value of 250 million Egyptian pounds (\$14 million at the time).
- Case No. 865 of 2020, Supreme State Security Confinement, which included businessman Safwan Thabet, his brother Mohamed Thabet, his son Seif, businessman [Sayed El-Suwaiky](#), owner of the Tawhid and El-Nour Stores Group, and a number of other businessmen and industrialists.
- Case No. 984 of 2021, Supreme State Security, which led to the [listing](#) of 58 people, including several prominent businessmen and their affiliated companies, such as Abdul Rahman Saoudi, Abdul Khaliq Abdul Aziz Quraitem, Hossam Muhammad Taj El-Din, and Omar Ahmed Fathy.
- Case No. 2989 of 2023, Supreme State Security, in which security forces [accused](#) eight people of joining a terrorist group, financing it, and dealing in foreign currency. This case included three businessmen: Ahmed Hussein, Mohamed Ibrahim Hajjaj, and Osama Mahmoud Galal. In July 2024, the Official Gazette published the Criminal Court’s ruling to include all the defendants in the case.



Egyptian businessman Mohammad Thabet

Market engineering with security grip

Targeting did not stop at large companies and their owners, but also extended to smaller companies in various sectors, which were also threatened by the security forces in order to exclude them from the market in favor of partners close to official bodies, or companies directly owned by members of these official and security bodies, or to force investors and businessmen to direct their investments towards specific areas and specific projects.

The most prominent example of this is the real estate sector, where companies operating in it have witnessed clear security surveillance and continuous threats of being added to terrorist lists. The Egyptian Front had recorded a number of



testimonies from workers in this sector, including company owners and employees, whose companies were raided, had assets frozen, had money seized, and were placed in cases on charges of terrorism and its financing. These are the prosecutions and accusations that the National Security Agency launched. These testimonies mentioned the security forces moving from one real estate investment company to another in order to collect information about the companies by raiding their headquarters and arresting their managers and employees **randomly**, until this pattern common and repeated.

This arrest extended to real estate brokers, as they have extensive and close relationships with companies, and thus represent a valuable source of information for security. These practices eventually led to the liquidation of most of these companies' businesses in New Cairo , which includes the First Settlement, Third Settlement, Fifth Settlement of New Cairo, Al-Shorouk, and Badr areas.

"... This branch has always been targeting companies systematically, and the campaign was very fierce starting around 2017 because I used to hear every day about a company that was raided by National Security , even though they were all investment companies and had no relation to politics at all. Once, there was a meeting in a large company, and there were clients and brokers. A force from the National Security entered and detained all the people. There were about 30 people, and they took 3 of them and filed a case against them for demonstrating..."⁸

The security forces take advantage of legal loopholes in framing facts and accusations, as previously stated, allowing them to classify any gathering or meeting held by a company or businessman as an unlicensed demonstration and a violation of the law on peaceful assembly and demonstrations, as seen in the case of the victims mentioned in the previous testimony.

8 Online conversation with a victim, May 2024.

This crackdown did not only target company owners but also extended to their employees in order to obtain necessary information about these companies and their assets, as one company owner who experienced this stated:

"...They tried a lot with me on the same day they arrested me to have me talk to an employee who was with me in the company, so I told him to meet me at the company at night so they could go and arrest him from there. After much insistence and pressure from the security officer, I told him that the employee would never agree to do that because they knew that I was arrested, and even if he didn't know, I never asked to meet him at that late hour at the company. In any case, he would suspect the matter, so in the end he was convinced and dropped the matter... Of course, this employee was the company's accountant, and they were very interested in arresting the accountants when they went to any company because they would have the company's data, accounts, and assets at their disposal, and this is important for security with regard to seizing or listing companies. He would also have at his disposal any money or assets belonging to the company."

In another testimony, one of the victims of these attacks described the paths followed by security in confronting local companies as follows:

"... Our company had absolutely no relation to politics, and I was wondering why the security forces would raid the company and do this. I later learned that at that time, they were going around raiding all the companies in the area. Some companies were completely shut down, while others were forced to cooperate with security forces and comply with their demands.

I was forced to close the company's main headquarters and move to a smaller office out of fear. I stopped advertising, focused on completing the projects I already had, and handed them over to clients. Eventually, we made the decision to stop investing altogether.

The biggest shock for me came later when I was arrested, and a case was filed against me. I found out that one of the reasons for this crackdown on companies was an old police officer at the National Security Branch. He was a shareholder in one of the competing companies operating in contracting and real estate investment. He attended meetings with them to gather information about other companies. As a result, he was the one responsible for everything that happened to businesses in the region, directing National Security to raid companies, especially those competing with the one he was involved in."

These prosecutions seem very strange towards companies that have contributed significantly to the renaissance and construction of New Cairo, and were also an incentive for the state to expand urban development projects in new cities in general. In addition to these reasons, the economic outcomes of state projects played a role in launching the sword of listing lists for businessmen and companies, as the state later sought to remove independent real estate companies from the market that

prefer to work and build in other areas, at a time when the state was keen to enter the real estate sector and build its new cities, most notably the New Administrative Capital project, and to transfer the capabilities and resources of these companies to finance real estate projects in light of the withdrawal of [foreign financiers](#). One of the consequences of this was the seizure of 18 real estate investment companies in 2018.

It is worth noting that the state's approach to the real estate sector has witnessed a shift from its usual policies of supporting low-income people [towards](#) investment-oriented real estate development. In order to compete with the local private sector operating in this sector, the state has taken a large part of it out of work, and kept the rest under security control, in order to increase demand for high-priced state real estate units in new residential projects, without allowing the existence of other alternatives that the public can choose from.

Seizure of Assets and Funds During Raids

There is no doubt that the reality of security raids and their events contains many testimonies and documented violations that extend to the seizure of money, property, and assets available in the raided area. This is no different in the case of businessmen and companies. Despite the fact that such actions are described as violations, in the case of this targeted group, the issue is compounded as the seizure of these funds and resources is usually enormous, often representing a significant part of their capital and a fundamental condition for their ability to continue operating.

The testimonies agreed on the tendency of the raiding forces to seize all money, financial, and in-kind assets, without these funds and assets later appearing before the investigating authorities and without those affected being able to reclaim them.

"... I have a large engineering office, and I was surprised by a security force arresting me from home and taking me to my office. Due to the nature of my work, there were large sums of money in the office safe, exceeding half a million pounds, which they took. When I went to the prosecution, they did not show me the money or the papers they took from the office, and not even the investigating officer asked me about them..."

"... He has never had any relationship with political groups or parties, and suddenly National Security entered the company, destroyed its contents, arrested him, and brought him before the prosecution. He has been imprisoned since then until now. Of course, they seized the company's accounts, our personal accounts, and also the accounts of the other partners. After that, the balance that was in the company's account was confiscated, and it was a large amount—about 30,000

dollars—in addition to what they took from the company...⁹

This situation becomes even more difficult for small companies with limited capital, some of which have been subjected to a long series of financial depletions due to these security raids and the threat of being placed under asset seizure. This ultimately removes them from the market and forces them into liquidation due to their inability to survive financially. Unlike larger companies, they do not have alternatives to adapt to this situation.

"My brother owns a small air conditioning and refrigeration company... Twice, they raided the company's headquarters and stole large sums of money—once around 100,000 pounds and another time around 300,000—and the money disappeared. Once, they arrested my brother, the company owner, and filed a case against him. After he was imprisoned for a while, he was acquitted, and as soon as he was released, he left the country because he saw that it was impossible for him to continue working or investing in this country..."

This illegal seizure is not limited to small and medium-sized enterprises but has also extended to high-profile cases that received media and legal attention, such as the Safwan Thabet case. In this case, the necessary legal procedures to guarantee the rights of the accused and their money were not adhered to. The funds were neither restricted and returned to them nor properly included in the seized assets. This is attributed to the illegality and illegitimacy of these procedures, as well as the lack of oversight and accountability over the security agencies responsible for them.

"... One of the defendants in the Safwan Thabet case, when he was arrested, was supposed to have 10 bags in his house, if I remember correctly, each containing a million dollars. When he was brought before the prosecution, he admitted that the money was his. However, two full bags that the security forces took from his house disappeared, and the total amount that went missing was approximately 2 million dollars..."¹⁰

Expanding targeting of corporate clients and business owners

As the listing lists are based primarily on National Security directives, this has seen an expansion of suspicion. Businessmen and their companies may fall under the security surveillance circle for other factors that are not directly related to them. In some cases, the targeting may be due to their association with official transactions

⁹ Online conversation with a witness, September 2024.

¹⁰ Online conversation with a witness, August 2024.

that were carried out at any previous time with one of the individuals or companies that were placed on the listing lists. This policy threatens the investment climate and the private sector in Egypt, which opens the door to the tracking of any companies and businessmen for their activities and cooperation in previous stages with companies that are now classified as terrorist, meaning that their punishment may be retroactive, as one of the testimonies expressed:

"...I still don't know what is the reason for arresting my father and detaining him for all this time, especially since we are from a large family that has always been considered part of the state, and my father's relatives have high ranks in the Ministry of Interior, including a member of the House of Representatives. However, the reason is most likely that we were dealing with many companies, including a company in El-Sadat city that was seized. It is possible that the seizure committee saw the accounts between us and the company, so they decided to put our company in this whirlpool and arrested my father as the chairman of the board of directors and detained all of us..."¹¹

The same applies if the person has any family relationship with any person who has opposition political activity or an undesirable security classification from the security services, which is a very common pattern in the case of many companies and businessmen:

"... My brother owns a small air conditioning and refrigeration company, and I have another brother who was wanted by the security forces, but he has been out of Egypt for a long time. Anyway, none of us have any relation to him. However, twice they raided the company headquarters and stole large sums of money from it."

"...I still don't understand why they did this, especially since it was a leading company in the field... and everything was in the light, and all our money was in the bank, and we were making a large monthly income in foreign currencies that the country was supposed to be in dire need of... Maybe the only reason for all this is that they classified his father as a member of the Brotherhood, even though he has been traveling outside the country since 2014, and we don't have any relation with him since then..."¹²

The issue of the social relations of businessmen and company owners remains a sword hanging over their necks, depending on the directions of the authorities and the demands of the moment. This is also evident in the case of Safwan Thabet, whose family kinship with one of the families that led the Muslim Brotherhood in Egypt in the past was brought up again upon his arrest, as well as during the period that preceded it in media outlets close to the regime.

11 Online conversation with a witness 2022.

12 Online conversation with a witness, 2023.

Personal companies and joint stock companies

The Egyptian Anti-Money Laundering and Combating the Financing of Terrorism Unit publishes monthly updates to the terrorist and terrorist entities listings. Over the period between August to December 2024, while the number of listed individuals decreased from 4,408 in August to 3,691 by December, the list of terrorist entities remained unchanged, including eight entities, namely Islamic political organizations such as the Muslim Brotherhood and armed organizations such as ISIS, and six legal entities, including only five companies (Aspire Broadcasting House, Delta Development Real Estate Investment



Company, Masr Net, Abito Software Company, Grand Import Company)¹³. The paradox appears in the gap between the inclusion of these “official” lists of only five companies that are subject to listing, compared to the number of companies that reaches hundreds that are included in official news coverage and legal and judicial coverage as well, which have actually been placed on the listing lists over these years. This confirms the lack of transparency and accountability around this file. What is noticeable is the predominance of companies of individuals placed on the listing list.

The Egyptian Law on Joint Stock Companies and Limited Partnerships (No. 159 of 1981) distinguishes between companies of persons or one person, joint stock companies, limited partnerships, and limited liability companies. Companies of persons or one person did not pose a major challenge to the Egyptian authorities in including them in the listing lists and seizing their funds and assets, due to the ease of placing them under seizure, confiscation, or custody, due to their association with their individual owners. The biggest challenge facing the policy of seizing companies appeared in the case of joint stock companies and limited partnerships by shares, which the Companies Law granted a legal and legal personality completely independent of the personalities of their founders or shareholders. Accordingly, it is legally assumed that the entity of the company, its property, or assets shall not be affected or its management shall not be interfered with due to what is accused of or committed by one of its founders, partners, or shareholders, whose responsibility and relationship with the company are all limited to the amount of their share in the capital or the shares they subscribed to or held.

In the case of joint stock companies, security forces pressure shareholders to give

¹³ Lists of terrorist entities and designated terrorists issued by the Egyptian Money Laundering and Counter-Terrorism Unit, currently unavailable to the public.

up their assets due to the difficulty of listing them in their entirety if there are other partners who would be difficult to include in the company's entirety on the listing lists, which was expressed in one of the testimonies as follows:

"... there is a person who owns a real estate investment company, one of the companies that used to work in the administrative capital, it certainly doesn't have anything to do with any security problems. He was summoned to the National Security Branch in ... and an officer from there met him and asked him explicitly to give up the company without specifying to which party exactly, and of course, because the man knows what could happen to him if he refuses, he agreed to the officer's request, but he told the officer that the company's capital is 40 million pounds and he only owns 10 million of it and is prepared to give up his share. Indeed, the officer asked him to sign a paper with this content, but what happened after that is that they discovered that there were Christian partners in the company, and this confirms that they did not know anything about it at all, and thus the story that the company is terrorist failed, so they actually stopped the procedures against the company, but they imprisoned this person in case number of the year and he is still imprisoned until now without any reason ..."

Although the listing lists of entities published on the unit's website do not include all listed companies, which would allow us to know the type of companies that have been seized, following the news reveals the seizure of a large number of companies, including capital companies that take the form of joint-stock and limited liability companies, which strongly suggests the scenario of seizing these companies in violation of the laws regulating companies and international standards in this context.

The harm of the authorities' intervention by seizing and confiscating shares owned by listed persons extends to entire companies from these procedures, especially since this means the possibility of interfering in the management and decision-making of these companies on behalf of the listed person due to owning his shares, which allows management on his behalf. Also, seizing a person's shares in a specific company means, consequently, extending the freezing and confiscation to all companies and funds that may be linked to him in any way, as explained by the Terrorist Entities Law in Article 7 - Clause 6, which states:

"Freezing funds or other assets owned by the terrorist, whether in whole or as a share in joint ownership, as well as the proceeds generated therefrom, or assets controlled directly or indirectly by them, along with funds or other assets of persons and entities acting on their behalf."

Moreover, association with a previously listed person does not prevent authorities from placing their partners and business associates under suspicion to ensure that they are not "involved" in any activities displeasing to the security services. From a broader perspective, the increasing inclusion of businessmen on these lists—and consequently, the seizure of their shares in the companies they own or co-own—reveals the security forces' growing dominance over Egypt's business and

investment landscape. By infiltrating companies at all levels, this trend signals a potential complete takeover in the future.

The security forces' attempts to circumvent investment and company protection laws, and their disregard for existing legal restrictions on the size of shares held by listed individuals, manifest in multiple ways. One such method is restricting the operations of companies in which a listed shareholder holds stakes, without distinguishing between the individual and the company itself. This was evident in the case of [Safwan Thabet](#), whose shares in the Juhayna Group were seized following his arrest and resignation from the board of directors. Despite these measures, security forces continued to impose restrictions on the company's workforce and economic activity. Additionally, they persist in pressuring listed businessmen to disclose all assets they own, both domestically and abroad.

Who is harmed by the pursuit of investment and business?

The business and investment sector is greatly affected by this systematic security policy, but the methods of dealing with it vary according to each player's ability to adapt and the resources available to them. In the case of some large companies, the option was to sell their shares to foreign companies or institutions abroad while retaining only a stake in the two companies located in Egypt. The Oriental Weavers Company (Al-Nasagon Al-Sharqion) was the most prominent example of this step, taken out of fear of falling under security threats.

Small and medium-sized enterprises have less room to maneuver. Some try to adapt to the situation either by reducing the size of their business or by liquidating and closing their operations, laying off employees after repeated raids and security threats, and experiencing asset confiscation when attempts to adapt fail. This has led some to resume work abroad, in the case of those who have been released, acquitted, or exonerated. The real estate investment sector has been one of the most affected in this regard.

"...I had to close the company's main office after that and take a small office out of fear. I stopped advertising and tried to complete the projects I had and deliver them to the customers. We ultimately decided to stop investing..."

Likewise, the circulation of any news or information about security forces raiding a company or arresting any manager or real estate investor associated with it was sufficient to deter other companies, suppliers, contractors, and clients from dealing with it, fearing that security forces would target them as well.

In the case of the real estate sector, the losses caused by these raids have extended to customers, who bear the brunt of the damage. This can be understood in light

of real estate investment and development companies' reliance on purchasing plots of land, preparing engineering drawings for buildings, and marketing them based on these drawings in preparation for sales. This strategy means companies often postpone actual project implementation until they have collected the largest possible amount of funds and installment payments from customers. Consequently, any disruption in this cycle negatively affects the progress of real estate projects. The decision to seize a large group of companies, along with repeated security raids on others, has led to the cessation of their activities at the expense of customers who had paid significant sums of money for units they had contracted but could not receive [due](#) to halted project implementation.

The crisis was further complicated by how security forces and the Seizure Committee handled clients' funds seized in company headquarters or bank accounts, treating them as spoils of war in the fight against terrorism—without investigating the sources of these funds, their rightful owners, or how to compensate ordinary citizens who bear no responsibility for this security crackdown. There are numerous examples of companies affected by this situation, the most prominent of which include: Azmeel Real Estate, Andalusia Real Estate, Tatweer Masr Real Estate, Al-Rowad, Barah Real Estate Development, New Vision Real Estate, Mabani Real Estate, and Bedaya Real Estate.

Conclusion

This report seeks to address how local investment and business in Egypt have been systematically targeted over the past decade by security and judicial apparatuses, using exceptional laws stemming from the so-called war on terror. These facts contradict the Egyptian government's claims of supporting investment and the private sector, as well as the laws it has issued for this purpose. They also contradict the economic policies Egypt has followed since the 1970s, when it distanced itself from notorious practices such as confiscations and politically motivated asset seizures. The current measures exceed legal justifications, veering into administrative, possibly illegal, and unofficial actions, as outlined in this report.

This report comes at a time of severe economic deterioration in Egypt, exacerbated by these security policies. The reality for local investment and the private sector is likely to worsen, affecting not only businessmen and companies but also ordinary citizens, many of whom are completely uninvolved in political or partisan activities or the public sphere. These practices constitute clear violations of economic rights, including labor rights, property rights, and related abuses such as arbitrary detention and torture.

To address these unfair and unlawful situations, which threaten the rule of law, the business climate in Egypt, and free and fair economic competition, this report proposes the following initial steps to mitigate the damage:

- Cancel all exceptional laws issued by authorities after 2013, which have been excessively applied to individuals and companies without sufficient evidence due to their broad and vague provisions. The most prominent of these laws are:
 - Law No. 8 of 2015 on the listing of terrorist entities,
 - Law No. 94 of 2015 on combating terrorism,
 - Law No. 22 of 2018 on asset seizure and confiscation.

Instead, cases should be prosecuted under general provisions of the Penal Code, the Criminal Procedure Code, and the Money Laundering Law where applicable.

- Activate constitutional provisions protecting private property and prohibit the targeting of companies with security measures. An independent accounting and

financial body should be established under the General Investment Authority to oversee company investigations in cases of serious allegations related to terrorism financing.

- Egypt's international partners and economic donors should urge Egyptian decision-makers to correct these abuses, distance security forces from economic matters, and implement mechanisms to monitor local companies to ensure a safe and viable investment environment. These international actors should also press Egyptian authorities to revise anti-terrorism laws, particularly in economic and financial matters, to eliminate practices of asset seizure, forced administration, and confiscation into the state treasury, ensuring alignment with internationally recognized investment principles.



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EGYPTIAN FRONT
FOR HUMAN RIGHTS

Egyptian Front for Human Rights (EFHR) is an independent European organization established in in 2017. The Front works to improve the human rights situation in Egypt through research, advocacy and legal work, specifically in criminal justice.