

**LEGISLATION  
SPOTLIGHT**

**UNIFIED PUBLIC  
FINANCE LAW**

*amending Law No. 6 of 2022*

# SUMMARY

The current financial governance landscape in Egypt is characterized by fragmented budgetary procedures, with multiple budgets separately supervised and monitored by Parliament. This fragmentation not only complicates the budget preparation process but also raises concerns about transparency and accountability in financial management.

**Recent discussions and proposed reforms regarding unifying state budget preparation processes have sparked interest and debate among policymakers, especially after the Egyptian Parliament finally approved the draft law submitted by the government amending some provisions of the Unified Public Finance Law issued by *Law No. 6 of 2022*.**

The draft law aims to enhance public finance performance indicators to comply with international standards and streamline legislative, accounting, and technical procedures. Additionally, it underscores the necessity of uniting state agencies to expedite the reduction of government debt.

*IPA seeks to explore the challenges and opportunities associated with transitioning towards a unified approach to budgeting in Egypt, with a particular focus on the implications for finance and business sectors.*

# KEY FEATURES

## Unified budget approach

The aim here is to calculate how the government spends and earns money more accurately, using a unified budget approach.

Switching to a unified budget approach means consolidating all aspects of government finances into one comprehensive framework, streamlining administrative processes, improving accountability, and providing decision-makers with a clearer understanding of the government's financial situation.

## Government Debt Ceiling Maximum

*“A yearly limit on how much money the government can borrow. This helps ensure the government doesn't accumulate too much debt”*

Limiting government debt can benefit the private sector by reducing competition for funds in financial markets, leading to lower interest rates for businesses. This encourages investment in expansion, innovation, and hiring.

Moreover, it promotes macroeconomic stability, fostering a favorable environment for business growth. However, overly restrictive debt limits may hamper economic activity by cutting public spending or raising taxes, impacting consumer demand and business profitability.

# KEY FEATURES

## Securing Ministry Approval for Draft Decisions

*“They're putting rules in place to make sure government officials can't spend money without approval, and that any new financial decisions are in line with the budget”*

Implementing rules to ensure adherence to budgetary constraints and proper financial management within the government is crucial for maintaining transparency, accountability, and efficient use of public funds. By requiring approval for expenditures and ensuring they align with the budget, governments can prevent misuse of taxpayer money and prioritize projects that provide the most value to society.

This fosters public trust and confidence in government institutions. Additionally, by promoting fiscal discipline, these measures can contribute to macroeconomic stability, which can have positive effects on the private sector.



**IPA maintains a close watch over legislative activities in Egypt, driven by the objective of ensuring that our clients remain well-informed and updated regarding developments pertinent to their industries and interests from a legislative perspective.**

**This approach entails not only monitoring but also active engagement and intervention to ensure the seamless progression of their business endeavors in Egypt, in alignment with legislative updates. This vigilant oversight assumes a pivotal role in assuring that policies resonate with the priorities of the private sector, ultimately nurturing a dynamic investment ecosystem.**

