



Investors' Disputes Settlement Center



Booklet on the Investors' Disputes Settlement Center

Overview:

As a complement to the system of services provided by the General Authority for Investment and Free Zones (GAFI) to improve the investment climate, the Investors' Dispute Settlement Center (IDSC) was established in 2009 to settle disputes that may arise between investors through mediation.

The latest international practices, comparative legislations, and the recommendations of the United Nations Commission on International Trade Law (UNCITRAL) have been respected in developing the IDSC rules.

Mediation is one of the most important means of settling disputes, in which a neutral person (mediator) assists the parties to the conflict in seeking an amicable and expeditious settlement of the dispute between them. Accordingly, mediation saves time, money, and effort without prejudice to the right of the parties to recourse to the judiciary.

The purpose of mediation is to ensure that the parties to the conflict reach an expeditious settlement. Such settlement shall serve the interests of the parties and avoid reaching the stage of litigation, which encompasses complex and long-term procedures that are difficult to predict. The need to regulate mediation procedures remains a priority that balances between the parties' rights and obligations to reach the desired objectives.

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طريق صلاح سالم - أرض المعارض - مدينة نصر - القاهرة - ١١٥٦٢ - مصر

تليفون/فاكس: ٢٠٢ ٢٤٠ ٥٥ ٤٩٤ +

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Our Vision, Mission and Values:

The Vision:

The IDSC seeks to alleviate the burden on the judiciary facility in the Arab Republic of Egypt, in order to achieve the requirements of a prompt settlement, and achieve the objectives of development and improvement.

The Mission:

The IDSC assists the investors to reach the best settlement while saving money, time and effort.

Values:

- Show Professionalism
- Ensure quality
- Follow up the latest developments in the field of mediation
- Stimulate and develop investment

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Dr. Eman Mansour

Director of Investors' Dispute Settlement Center



Mediation as one of the most important amicable means in settling disputes has emerged recently in Egypt. Ten years ago, mediation seemed to follow faltering steps, but over time, we see it as a modern and prominent mean that assumed its presumed position since generations.

Mediation has achieved unprecedented successes in this short period based on the historical dimension that most civilizations have known from Phoenician civilization to Roman civilization to Islamic civilization. Moreover, mediation has relied on the speed of procedures, low cost, confidentiality, effectiveness and efficiency in order to solve trade disputes, maintain the continuity of economic entities, and avert litigation and its consequences.

Wishing a more spread and demand for mediation worldwide and especially in Egypt due to its promising prospects in improving the investment climate and facilitating procedures thereof.

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Advisor/ Khaled Miftah

**Vice president of the Administrative
Prosecution Authority (APA)**

Legal Advisor to GAFI



The referral of investors' disputes to the IDSC has contributed to enhancing the role of amicable settlement and supporting the achievement of prompt justice goal through easing the burden on the courts, and being away from the suffering of material and moral litigation proceedings. This can be reached by settling disputes amicably with a view to preserving rights and taking into account the rights of parties of economic activity, which could have a great impact in attracting and increasing investments and creating a better environment for investment in Egypt.

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بريد الإلكتروني: Dispute-Settlement-Center@gafinet.org.eg

Dr. Ismail Selim

**Director of the Cairo Regional Centre for
International Commercial Arbitration (CRCIC)**



Egypt's interest in enhancing the value of private mediation through the establishment of the IDSC is one of the pillars of enhancing the investor confidence in the existence of effective and credible mechanisms for resolving their disputes. Recognizing that mediation and other amicably means of settling disputes have become among international pillars and sometimes become mandatory for dispute resolution, the CRCICA is continuously cooperating with the IDSC to jointly promote mediation, encourage its use at the local level and attract foreign parties to resort to mediation in Egypt.

In addition, the CRCICA and IDSC are working together to spread mediation at the Arab level, in cooperation with other Arab centers in an initiative that will be announced soon. I would like to conclude with a quote by Abraham Lincoln *"Discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often a real loser - in fees, expenses, and waste of time. As a peacemaker, the lawyer has a superior opportunity of being a good man. There will still be business enough."*

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Mr. Emad El-Shalakany

A lawyer at Court of Cassation and the Supreme Administrative Court, a senior partner at El-Shalakany Legal Consultancy and Law Firm, a fellow of London Arbitrators Association, an arbitrator at CRCICA, a certified mediator, and a founder and board member of The Egyptian ADR Association



The IDSC at GAFI works in an integrated system of legislation and rules developed in the framework of international practices governed by international trade rules and customs and suitable for international commercial and investment activities.

The IDSC settles disputes that arise among investors amicably in a manner satisfactory to them, with the assistance of a team of specialists, scholars and trainees, in the art of mediation and under the supervision of a high-level administrative body, working in the IDSC, that facilitates and expedites settling disputes among investors and creates a fertile environment for investment to save time and effort used by traditional methods of settlement of commercial disputes.

I had many experiences with IDSC, which has a unique specialization. I have reported dozens of disputes that have arisen between investors I represent, many if not most of such disputes have been settled successfully by mutual agreement between the parties and without continuing their hostile rivalry, but rather the settlement created new opportunities and areas of investment for the conflicted parties, in most cases.

IDSC has a significant and successful role in the field of international investment and trade, thanks to its management and GAFI of which IDSC is operated under its patronage. I wish IDSC a lasting success.

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Mr. Khaled Attya

Lawyer at El-Tameemy Office



Mediation is now remarkable when it comes to the settlement of disputes amicably at a time when the parties are avoiding the recourse to litigation. Commercial mediation is now very popular worldwide when it comes to commercial disputes. Egypt is witnessing the outset of mediation by those who are concerned with this field.

IDSC at GAFI provides a model for amicable intervention in resolving disputes and improving the competitive environment of business in Egypt, which we must support, push forward and even teach the methods of mediation and amicable settlement of disputes in our Egyptian universities in line with global trends in this field.

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Mr. Sief El-Nasr Anan

Chairman of the Board of Directors of Kemet

It is my honor to thank and appreciate you and your staff for the outstanding efforts that have guided us to the ways of managing the investors' disputes settlement.

I must also praise the system and spirit of cooperation shown by all those we have dealt with in IDSC who were very welcoming and helpful in resolving all the problems that we have encountered, where the dispute arisen among me and my partners was settled in one session.

With appreciation to you and Dr. Sahar Nasr, the Minister of Investment and International Cooperation.

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Ms. Alya Al Gamal

Commercial Manager of DP World

When I encountered some problems related to managing my investments, I was directed to the IDSC. I found the staff keen on helping me to settle my dispute, but what drew my attention was the prompt resolution of the dispute, and it took one session that did not take more than three hours. The session was led by one of the IDSC accredited mediators, who was highly professional. The most important thing that characterized my experience is saving time, money and effort, which is needed actually by the investor who may suffer from the length and complexity of procedures.

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Ms. Fatma Ibrahim

Consulting Director and Accredited Mediator



It is a great honor to write about IDSC and to witness the success of its pioneering mediation experience. International experiences have proved the slow progress of mediation in the absence of a law that encourages its use or the existence of a rapid judicial system for the issuance and enforcement of judgments, which considered a deterrent to intransigent or stubborn parties.

IDSC pioneering and creative experience made use of its existence in GAFI to attract parties, that are disputing before different departments in order to settle their disputes, to apply the mediation experience free of charge, not aiming for adjudicating disputes but to help the parties to reach a satisfying common resolution either through resuming their business relationship or terminating it amicably.

IDSC efforts have resulted in the settlement of more than 200 disputes within five years, that considered great achievement of the IDSC, and it is part of the ongoing efforts to raise awareness of mediation and its importance whether inside GAFI or in the business community.

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Dr. Fehr Abd Alazem Saleh Emara

**Deputy Chief Justice of the Court of Appeal,
International Arbitrator, and Accredited Mediator for
IDSC**



Confidentiality of mediation procedures is an element of its superiority.

Recently, mediation has become a recognized and highly regarded alternative means for settling investment disputes that erupt between the investors "investor - investor" or between the investor and the state "investor - state".

The emergence and spread of mediation in the scope of trade and investment disputes has increased the interest of national legislators in Egypt and worldwide to set out the necessary legal norms to regulate their procedures from one side, and the interest of governmental and private institutions to establish special mediation service centers, as an alternative to traditional litigation and even arbitration, from the other side.

In fact, confidentiality and privacy are the most important strengths that feature mediation, which were the direct cause of its emergence and spread. Confidentiality is not merely a moral characteristic of the process of mediation procedure, but it is a binding legal principle on both parties and the mediator.

The principle of confidentiality in mediation was stipulated in the Model Law on Mediation issued by the UNCITRAL. The concept of confidentiality in this Law and all the laws taken from it is that confidentiality in mediation is not only limited to prohibiting the disclosure of data, information, documents, declarations, or statements provided by the mediation parties to third parties, but also it extends to prohibiting the submission of such data or documents to judicial authorities, whatsoever, in case of failure of the mediation process and recourse to the judiciary or the arbitration.

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Most importantly, the judicial authorities are committed to the principle of confidentiality of mediation, since no declaration, acknowledgement or statement derived or resulting from mediation proceedings prior to national or arbitral judicial proceedings is taken into account.

Consequently, the parties of the dispute proposed to the mediator are not afraid to disclose all their data, whatever their sensitivity or privacy, which increases the effectiveness of the mediation process and paves the way for the success of its chances compared to the judiciary and the arbitration.

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Dr. Cherine Soliman, MBA, MSc, PhD

Assistant Professor of Management

Vice Dean, Business Post Graduate Program, Arab Academy, Smart Village



Egypt is at the heart of the Middle East and one of the most strategic countries among the Arab and African nations. Like the rest of the world, Egypt has been held in economic disparity for consequent decades, and like the rest of the Middle East, it is finding its way in post revolution re-construction. Our belief is that with a very optimistic and promising leadership Egypt has been very proactive on many reformative initiatives.

In alignment with the recommendations from international advocates for cooperation, on a business, economic and legal levels, Egypt has adopted the mediation approach and the government has invested in officially launching and supporting the initiative.

From our research findings, we believe that the future of mediation with the Cairo Business Community is very promising. Egyptian youth in particular are showing positive relation with mediation as a concept and as a practice. We hope to see University Peer Mediation initiatives enabled to empower the future of Egypt.

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Dr. Moataz Hussein

**International Investment Agreements Official
Central Directorate of Strategic Planning and
International Cooperation at GAFI**



Over the past ten (10) years, IDSC was able to consolidate its presence in the field of investors' dispute settlement through using alternative settlement means, especially mediation. IDSC positively contributed to addressing the problem of lack of awareness in the business community of the effective settlement mechanisms that maintain the relation of work and partnership after finding solutions that would achieve gains for all.

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بريد الإلكتروني: Dispute-Settlement-Center@gafinet.org.eg

Ms. Sohair El-Shafei

Researcher at GAFI

(Trainee at IDSC)



The existence of IDSC since ten (10) years as one of the problem solving mechanisms through mediation for investors and as a distinct alternative to litigation and arbitration is one of the strong reasons for boosting investment and reducing disputes between investors.

In my opinion, IDSC GAFI is mostly distinguished by its professionalism in the application of the rules of mediation within the IDSC, the selection of mediators and the selection of the staff working in the IDSC, and training them to complete all work on time in accordance with the international standards.

It is great to receive a training with international standards by Egyptian experts who belong to the IDSC. The outstanding Dr. Eman Mansour, IDSC Director, makes you feel that you are inside one of the international centers through her outstanding performance and sophisticated approach to knowledge transfer.

I am proud of having IDSC within GAFI, since it has a direct impact on strengthening the economic policy of the State and it is one of the first lines of defense to safeguard and stabilize investment in our dear country, Egypt.

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