

Decree of Gamal Abdel Nasser on the nationalisation of the Suez Canal Company (Cairo, 26 July 1956)

Caption: On 26 July 1956, the Egyptian President, Gamal Abdel Nasser, officially announces the nationalisation of the Suez Canal Company.

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Decree of the President of the Republic of Egypt (Nasser) on the Nationalization of the Suez Canal Company, Cairo, July 26, 1956.

President of the Republic Order Concerning the issuance of Law No. 285 of 1956 on the Nationalization of the Universal Company of the Suez Maritime Canal.

In the Name of the Nation

The President of the Republic,

Considering the two firmans issued on November 30, 1854 and January 5, 1856 (respectively) concerning the preferential rights relating to the administration of the Suez Canal Transit Service and the establishment of an Egyptian joint-stock company to operate it;

and Law No. 129 of 1947 concerning public utility concessions;

and Law No. 317 of 1952 concerning individual labor contracts;

and Law No. 26 of 1954 concerning joint-stock companies, limited partnerships by shares and limited liability companies;

with the advice of the State Council;

has issued the following law;

Article I

The Universal Company of the Suez Maritime Canal (Egyptian joint-stock company) is hereby nationalized. All its assets, rights and obligations are transferred to the Nation and all the organizations and committees that now operate its management are hereby dissolved.

Stockholders and holders of founders shares shall be compensated for the ordinary or founders shares they own in accordance with the value of the shares shown in the closing quotations of the Paris Stock Exchange on the day preceding the effective date of the present law.

The payment of said indemnity shall be effected after the Nation has taken delivery of all the assets and properties of the nationalized company.

Article II

An independent organization endowed with juristic personality and annexed to the Ministry of Commerce, shall take over the management of the Suez Canal Transit Service. The composition of the organization and the remuneration of its members shall be fixed in an order of the President of the Republic. In so far as managing the Transit Service is concerned the organization shall have all the necessary powers required for the purpose without being restricted by Government regulations and procedures.

Without prejudice to the auditing of its final accounts by the State Audit Department, the organization shall have an independent budget prepared in accordance with the rules in force for commercial concerns. Its financial year shall begin on July 1 and end on June 30 each year. The budget and final accounts shall be approved by an order of the President of the Republic. The first financial year shall begin on the effective date of the present law and end with June 30, 1957.

The organization may delegate one or several of its members to implement its decisions or to discharge any duty assigned to these members.

It may also set up from among its own members or from among other people, a technical committee to assist it in its own research work and studies.

The chairman of the organization shall represent it before the courts, government agencies, and other places, and in its dealings with third parties.

Article III

The assets and rights of the nationalized company in the Republic of Egypt and abroad, are hereby frozen. Without specific permission obtained in advance from the organization provided for in Article II above, banks, organizations and private persons are hereby prohibited from disposing of those assets or making any payment requested them or due by them.

Article IV

The organization shall retain all the present officials, employees and laborers of the nationalized company at their posts; they shall have to continue with the discharge of their duties; no one will be allowed to leave his work or vacate his post in any manner and for any reason whatsoever except with the permission of the organization provided for in Article II above.

Article V

All violations of the provisions of Article III above shall be punished by imprisonment and a fine equal to three times the value of the amount involved in the offense. All violations of the provisions of Article IV shall be punished by imprisonment in addition to the forfeiture by the offender of all rights to compensation, pension or indemnity.

Article VI

The present order shall be published in the Official Gazette and shall have the force of law. It shall come into force on the date of its publication. The Minister of Commerce shall issue the necessary administrative orders for its implementation.

It shall bear the Seal of the State and be implemented as one of the State laws.

Given this 18th day of Zull Heggah, 1375 A.H. [July 26, 1956]

Gamal Abdel Nasser