

**Study  
On  
Spread of the Phenomenon of Industrial and  
Commercial Fraud in Fire Extinguishers**

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## **Introduction**

Commercial and industrial fraud has recently remarkably spread. The Egyptian market is full of goods and products that, if used, pose a danger to the security, safety and health of the Egyptian consumer as well as the Egyptian economy.

Almost every day we read news reports calling for the protection of consumers, local industry and national economy.

Control bodies should face this phenomenon, as their role is to protect the Egyptian society against all forms of fraud according to many laws that ensure the consumer's right to get accredited standardized products.

Laws pay special concern to the goods that have to do with the security and safety of the consumers, thus aggravating penalties and providing for closure of non-standardized facilities in case they repeat the same fault.

### **Dangers of circulating and using non-standard fire extinguishers**

These dangers lie in two things related to safety and fire factors.

#### **First: The Safety Factor:**

There is no doubt that fire extinguishers are technically handled as compression vessels, because they include high operation pressures that represent fatal destructive explosive force in case a fire extinguisher body is exploded for any reason.

The danger is slight, yet life threatening, in case part of the device separates from the body under operation pressure. This part may be the device head, for instance.

This may occur in case of failure to check that the threaded spindle is sound or that the valve is fixed under pressure exceeding the approved standards, thus destroying the structure of the threaded spindle.

Faults that may be seen by an ordinary person in a fire extinguisher may cause explosion of the device body.

This may include welting faults, use of bad materials, the thickness of the body is less than it must be, rust causing erosion because of bad painting, non-technical packaging, or any fault in tying parts with the container.

### **Second: Fire Factor:**

The danger of extinguishing fire with an unfit device, even if not posing a risk to its user, lies in the fact that it allows the danger of fire to expand without putting it off in the first phase. The heat resulting from fire accelerates the expansion of fire in an uncontrollable way. This is considered waste of national economy.

Thus, the State is keen on ensuring that such devices should meet the accredited standards – Law 58 of 1973 on the regulation of manufacturing fire extinguishers.

### **The Ministry of Industry issued:**

- A ministerial decree to enforce the provisions of Law 58 of 1973
- Ministerial decrees providing for compliance with the fire extinguishing standards

Since Law 58 of 1973 gives the fire extinguisher producer the right, as some may imagine, to issue valid certificates for the devices he produces, it should be taken into account that this is meant to compel the producer to assume responsibility if some non-standards devices appear in the market and to be subject to law.

This does not mean, either, that the producer can manufacture anything without control.

That is because the producer is confined to adopting a main model for each device, pursuant to Ministerial Decree/Industry no. 791 of 1976 in implementation of the provisions of Law 58 of 1973.

This decree provides for adopting models from the Industry Control Authority. After the Republican Decree no. 392 of 1997 on regulating the Egyptian Authority of Standardization to amend it to the Egyptian Authority for Standardization and Production Quality, the republican decree assigns this authority the task of accrediting models and issuing their certificates.

Therefore, if control organs face fraud in general and that relating to safety and health of citizens in particular, priority should be given to foodstuffs and fire extinguishers, for the crucial importance of such devices. This confirms the control bodies' role in protecting consumers, the Egyptian community and national economy.

**Main reasons for the spread of industrial and commercial fraud**

**1- Unlicensed production units** that practice multiple activities that are mostly fraud, counterfeited and low-quality products.

The danger of such units lie in the fact that they:

- A- Produce low-quality and non-standard products
- B- Fail to meet the consumers' needs and pose a danger to the safety and health of consumers
- C- Hurt the reputation of the national production
- D- Compete Egyptian good-quality and standard products, as they take part in tenders and provide very low prices that do not reflect the actual reality of cost
- E- Exploit loopholes in laws, decrees and regulations

**2- The production units that applied for manufacturing licenses** and got them initially but have not realized the minimum fundamentals for practicing industrial activity, which includes equipment, skilled labor, technical capabilities and experience required for producing a product with the minimum acceptable level of quality in a way that does not pose a danger to consumers.

**The danger of such production units lies in the fact that they:**

- Produce low-quality and non-standard goods, posing danger to the safety and health of consumers
- Compete distinguished production units in their scope of production

- Exploit loopholes in laws, decrees and regulations of tenders
- Pretend to have licenses, exploiting the absence of coordination and integration between license and control organs

**General trade laws that regulate fire extinguishing devices in Egypt**

- 1- Law no. 48 of 1941 on repressing commercial fraud and its amendments (106 of 1980)
- 2- Law no. 57 of 1939 on trade marks and data and its amendments
- 3- Law no. 388 of 1953 on commercial books and its amendments
- 4- Law no. 100 of 1957 on some trade sales and its amendments
- 5- Law no. 115 of 1958 on the use of the Arabic language in correspondence and its amendments
- 6- The decree-laws of Law no. 95 of 1945 on ration-card supplies, especially with regard to abstention from selling

**Some important aspects in Law no. 48 of 1941 on repressing commercial fraud and its amendments**

A- Article One of the law determines a penalty for whoever cheats or starts to cheat the contractor in one of the following:

- 1- The number, amount, size, weight or capacity of the goods
- 2- The same goods if the sound of which are not included in the contract
- 3- The reality, nature, essential characteristics or missing parts of the goods, or in general the elements used in their composition

B- Article Eleven of this law provides for the permissibility of the control officers to enter the places where goods are offered for sale or stored, except for the parts used for housing, provided that they shall take samples in accordance with statutes.

C- Article Twelve of this law provides for the penalties of whoever impedes the employees from practicing their jobs by obstructing them from entering the factories, storehouses or stores or from taking samples with any other means.

D- If the lab's report reveals a violation, the employee concerned shall file a note and sent it to the Prosecution Office.

E- Article Thirteen of Law no. 106 of 1980 (amendment of commercial fraud law) explains that the provisions of this law do not fall short of any penalty stipulated in the Penal Code or any other law.

**Some important aspects in Law no. 57 of 1939 or its amendments**

**Trade marks and data**

**The explanatory note of this law states:**

Trade marks are moral money. In this consideration they can be subject to ownership. This right shall be protected. The provision of protection to this right means providing manufacturers and traders with an effective tool to ensure that they are protected from the results of misleading the efforts of some competitors who are not cautious of being under damage.

A trade mark is a trade name, words, letters, figures, paintings and slogans that take a distinct shape as well as any other mark or type of these marks if they are used in distinguishing industrial products.

**Article Five of the law stipulates the following:**

**Not to be registered any mark or element of a mark of the following:**

- .....

C- The image or slogan of the other unless it approves in advance to be used.

K- The marks that deceive the people or include false data about the source or characteristics of the products as well as the marks that include the data of a false, counterfeited or forged trade name.



**Commercial data are every explanation directly or indirectly relating to the following:**

- A- Number, amount, size, measurement, capacity or weight of goods
- B- The quarter or country where the goods are manufactured or produced
- C- .....
- D- The elements used as input
- E- Name or characteristics of the producer or manufacturer

Article 27 of the law makes it binding that the commercial data must be compatible to the reality from all aspects. Articles 33 through 36 (bis.) state the crimes and penalties.

They set a penalty for whoever uses an unregistered trademark; puts maliciously on his/her products a mark that is owned by the other; forges, registers according to law or counterfeits a mark that deceives the people; or uses or copies maliciously a forged mark.

**General industrial laws for fire extinguishers in Egypt**

**Law no. 12 of 1958 and its amendments on regulation and encouraging industry:**

Section Two of Chapter One of this law defines the specifications and standards. Here we are concerned particularly with articles 14, 15 and 16.

**Article 14:** After consulting the bodies concerned the Ministry of Industry prepares lists of the kinds of Egyptian industrial products, raw materials and their specifications.

**Article 15:** The Minister of Industry has the right to take binding decisions to industrial facilities regarding the following:

- i. Development of unified standards to be implemented by industrial facilities in their production processes.
- ii. Defining the specifications of products and raw materials used in industry.

**Article 16:** After amended by Law 113 of 1980, penalties shall be defined without prejudice to the application of any harsher penalty stipulated in another law. To be punished by the same penalties whoever mentions in the related correspondence, publications and advertisements any incorrect data relating to the provisions of this Chapter, the executive statute or ministerial decrees.

In all cases the industrial facility may be closed down and violated goods or products be seized.

The penalty is doubled in case the violating goods and products are harmful to the public health or do not meet the conditions of safety and security. In this case, the violating goods and products shall be seized.

The facility may be closed down, unless the violation reoccurs more than once in six months; in this case the facility shall necessary be closed.

The article defines the penalties against the facility that practices industrial activity without license, as it shall be closed administratively and its products

shall be seized in case they are impounded. In the event the goods it produces must meet special conditions for safety, the person in charge of the facility shall be imprisoned or fined.

### **Law no. 2 of 1957 on the unification of standards**

#### **Article Five of this law stipulates the following:**

"If raw materials or industrial products are sold or offered for sale as meeting standard specifications in contrary to the reality, the penalty shall be imprisonment for less than six months and a fine not exceeding one-hundred Egyptian pounds, or one of the penalties. In all cases, the violating raw materials and products may be seized."

### **Laws and ministerial decrees on fire extinguishers**

#### **1- Law no. 58 of 1973 on regulating and packing fire extinguishers**

- A. Article Two of the law stipulates that fire extinguishing devices and their supplements shall meet the Egyptian standards that are adopted by the Egyptian Authority for Standardization or foreign standards that are accredited by the authority. This ruling is applied to the imported and exported devices.
- B. Article Three of the law stipulates that the fire extinguisher factories shall prepare registers proving the amount of their production of this device as well as the numbers and results of tests and examination they carried out. They shall also explain in an irremovable way the date of manufacture, the name of the facility and the accredited standards.

- C. Paragraph Three of Article Three stipulates that fire extinguisher factories shall issue a validity certificate to the device they produce, stating that the product is manufactured according to the accredited standards and that it passed checks and tests and meet the conditions stipulated in these specifications.
- D. Article Six of the law stipulates that the packaging of chemical materials used in fire extinguishers that are put in containers prepared for circulation shall be made by the facilities registered with the Industry Control Authority.
- E. Article Eleven provides for the crimes and penalties and the seizure of devices for whoever violates the provisions of this law without prejudice to the implementation of a harsher penalty stipulated by any other law.

**Minister of Industry's decree no. 791 of 1976 on the implementation of the provisions of Law 58 of 1973 on regulating and packaging fire extinguishers:**

- A. Article Two provides that without a license from the General Authority for Industrialization no factory for manufacturing or packaging fire extinguishers shall be allowed.
- B. Article Three stipulates that the Industry Control Authority shall issue licenses for practicing the activity of producing or packaging fire extinguishers.
- C. Article Five stipulates that any factory producing fire extinguishers shall prepare numbered registers that shall be accredited by the Industry Control Authority.

D. The previous article stipulates that the circulation of fire extinguishers shall be accompanied by a validity certificate stated in Paragraph Three of Article Three of Law 58 of 1973.

### **Laws and decrees on the use of fire extinguishers**

#### **Minister of Manpower's Decree no. 48 of 1967**

Article Four of the above-mentioned decree stipulates that the employer shall provide the means sufficient for prevention of fire and the fire extinguishers that fit the existing industries and the materials used.

Paragraph B of the above-mentioned article stipulates that fire extinguishers and devices shall be always fit for doing the assigned job.

#### **Minister of Manpower's Decree no. 7 of 1972**

Article Four of this decree stipulates that one of the most important duties of the observer or overseer of industrial security at the industrial facilities is to follow up the provision of fire prevention means and completion of fire extinguishers. The decree also considers fire incidents at facilities as serious.

#### **Minister of Interior's Decree no. 2396 of 1976 on amending some provisions of the executive statute of the Traffic Law:**

Article One of this decree provides for replacing Article 154 of the executive statute with the following:

Article 154: "Every vehicle shall be equipped with a suitable, valid and reachable fire extinguisher that shall be explained in the vehicle

license. Each vehicle shall be equipped with the suitable fire extinguisher.

**Ministerial decrees on the necessity that the production and packaging of fire extinguishers shall meet Egyptian standard specifications**

The Egyptian Authority for Standardization and Production Quality issued Egyptian standards for all types of fire extinguishers that are circulated in the Egyptian market.

In implementation of Law 21 of 1958 and its amendments on the regulation and encouraging industry, the Minister of Industry issued ministerial decrees on the necessity that all types of fire extinguishers shall meet the accredited Egyptian standard specifications issued by the Egyptian Authority of Standardization.

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