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The Presidency**

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Executive Regulations Pursuant to the Customs Law

Ministry of Finance
Decree No 10 for the Year 2006
For The Promulgation of
Executive Regulations Pursuant to Customs Law No. 66 for the Year 1963

The Minister of Finance

Having reviewed the following:

- Customs Law No 66/1963;
- Law No. 12/1964 regarding establishment of the Egyptian General Corporation for Maritime Transport;
- Import and Export Law No. 118/1975 and its executive regulations;
- Investment Guarantees and Incentives Law No 8/1997;
- General Sales Tax Law No. 11/1991;
- Income Tax Law No. 91/2005;
- Commercial Law No. 17/ 1999;
- Presidential Decree No. 141 of 2003 Regarding Specialized Ports;
- Electronic Signature law No. 15/1999;
- Prime Minister Decree No. 1635 of 2002 concerning the rules and procedures regulating temporary admission and tax rebate;
- Presidential Decree No. 72/ 1995, concerning approval of Egypt joining WTO, and the agreements included in the final document including the results of the Uruguay Round of multilateral trade negotiations and the pledges in the areas of trade in goods and services, signed in Marrakesh in Morocco on April 15th 1994;
- Minister of Finance's decree No. 765 concerning determining the value of goods for Customs purposes;

Decided the following:

Article 1

The attached executive regulations of Customs Law shall come into force

Article 2

All decrees and instructions issued pursuant to the implementation and application of the Customs Law, which are applicable on the date of enforcement of the attached

regulations, excluding all the decrees specifying the Customs territories, shall hereby be repealed. Any other provision contrary thereto shall also be repealed.

Article 3

Minister of Finance's decree No. 765, concerning determining value of goods for Customs purposes, shall be repealed.

Article 4

A decree shall be issued by the Minister of Finance concerning the forms used in the Customs Administration.

Article 5

This decree shall be published in the Official Gazette, and shall come into force as from the following day.

Issued on 16 / 1 / 2006

Minister of Finance

Dr. Youssef Boutros-Ghali

PRELIMINARY Definitions

Article 1

In the application of the provisions of these executive regulations, the following words and phrases shall have the respective meanings stated next to them:

▪ **Main (Principal) Manifest**

This is a list of the whole cargo of the means of transportation, whether imports for the country or designated for transit (direct or indirect) or as consignments designated for other ports.

▪ **Imported goods list:**

This is part of the main manifest, and lists goods arriving into the port, whether to be admitted into the country or designated as transit (direct or indirect).

▪ **Crew list:**

A list of the names of the ship's crew, their passport numbers, personal effects, and supplies carried on the ship, including tobacco and liquors, for the crew's use. Tobacco and liquors in excess of the crew's need during docking shall be locked up in a special store to be sealed with Customs seals.

▪ **Passenger list:**

A declaration of passengers' names, nationalities, and passport numbers.

▪ **Extracted specific manifest copies:**

Complete declarations listing specific goods, extracted from the main manifest according to specific types of goods. If they include prohibited goods, these shall be entered in their real names in the list.

▪ **Mail:**

The Egyptian Postal Authority or companies licensed to carry mail.

▪ **Mail consignments:**

These are groups of mail packages, according to definition by the International Postal Union, which must be released as soon as possible. The Customs authority shall specify the mail consignments that the Egyptian Postal Authority shall submit to the relevant Customs office to complete the set procedures.

- **Mail packages**

Goods transported according to the Postal Agreement, in the name of a specified consignee and not exceeding 50 kgs in weight.

- **Detailed Inventory:**

An inventory of the number and weight of the packages of a consignment, then describing the inner and outer packaging and parcels contained in the packages, and entering the number of units in each package and parcel including detached accessories and supplements inside each package. Goods shall be described as per the wording of the Customs tariff, and all the marks and numbers shown on each item shall be registered as per the respective form.

- **Check:**

- a. **External Check:**

Ensuring intactness of maritime seals placed on a container

- b. **Specific Check**

Verifying the type of goods and then recording the goods inside the packages opened as per Customs tariff headings and all the marks and numbers shown on each checked item shall be registered, without counting the units.

- **Inspection and examination**

Making an inventory of the number and weight of the packages of a consignment, then describing the goods inside the packages opened as per the percentage specified for inspection.

- **Verification**

Verifying the items to be reviewed with regard to number and type, against documents, particularly the invoice and packing list and determining the applicable tariff heading.

- **Transit:**

- a. **Direct Transit:**

This defines goods arriving at the port for transshipment at the carrier's responsibility, without receiving them at the transit port, i.e. without intermediation on the part of warehousing entities. This is what happens with goods that arrive on a ship or plane and are unloaded and shipped on another ship or plane.

- b. **Indirect Transit:**

- 1) Goods arriving at the port for reshipment to another port outside the country, or to free zones or private economic zones.
- 2) Goods arriving at the port for reshipment to another port(s) within the country and are subject to unloading, transport and receipt in stores in the Customs zone or public or private warehouses.

▪ **Customs release channels**

a) Green channel:

Direct release of imported or exported goods without examination, following payment of due taxes and duties and completion of control authorities formalities, if any.

b) Yellow channel:

Completion of formalities required for release, to determine the release channel (red/green).

c) Red channel:

Release in accordance with normal formalities: Inspection and examination as per the percentage specified.

▪ **Products**

Mineral products extracted from the earth, scrap and industrial products, agricultural produce, live animals and their products, raised within the country, and products obtained through hunting.

▪ **Goods of the same type or kind**

"Goods of the same type or kind" means goods that fall within a group or a range of goods produced by a particular industry sector, and including identical or similar goods.

▪ **Identical goods**

They are goods the contractual value of which have been previously accepted and are identical with the goods being valued in all aspects including physical and specific properties, quality, and reputation.

Slight differences in form or color that do not affect value, shall not lead to exclusion from the definition of identical goods. The term "identical goods" does not comprise goods embodying engineering, development, artwork, design work, and plans and sketches designed in Egypt.

Goods are not considered to be identical unless they have been produced within the same country of production of the goods under valuation. Goods produced by another producer shall not be taken into consideration except when there are no identical goods produced by the same person in the same country of production as the goods being valued.

▪ **Similar goods**

They are goods the contractual value of which have been previously accepted and are similar to the goods being valued in characteristics and component materials, which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark (even if they are not similar in all aspects) are among the factors to be considered. . The term “identical goods” does not comprise goods embodying engineering, development, artwork, design work, and plans and sketches designed in Egypt.

Goods shall not be considered to be similar unless they are produced in the same country as the goods being valued. Goods produced by another producer shall not be taken into consideration except when there are no similar goods, as the case may be, produced by the same person in the same country of production as the goods being valued.

▪ **Unit price at which goods are sold in the greatest aggregate quantity:**

The price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.

▪ **Warehouses**

Stores where goods arriving without paying taxes and duties are stored, within or outside Customs territory. They are run by public or private persons, and under all conditions they are subject to Customs supervision.

Warehouses are divided into:

- a. Public warehouses; where foreign goods arriving without paying taxes and duties are stored. These are licensed to store goods for others.
- b. Private warehouses: where foreign goods arriving without paying taxes and duties, belonging to the warehouse owners are stored. The owners are licensed to store these goods in the warehouses.

Part 1 Customs Control and Elements for Identifying Goods

- **Scope of Customs Control**
- **Customs Taxes**
- **Prohibition and Restriction**
- **Elements for Identifying Goods**

Chapter 1 Scope of Customs Control

Article 2

Scope of Customs Control System means the areas where the Customs Authority takes the necessary actions concerning imported and exported goods.

Article 3

Excluding villages, cities and agricultural, industrial and tourist facilities, the scope of Customs land control system shall be as follows:

First: Northern Borders:

Four kilometers from the Mediterranean Sea shores and the coasts of the lakes situated to the north of the Delta (Al-Manzala , Al-Borollos , Edku and Mariut).

Second: Southern Borders:

The area between El-Shalal city along latitude line 24 degrees and the political borders between The Arab Republic of Egypt and The Republic of Sudan.

Third: Eastern Borders:

- a) Four kilometers inland from the western bank of the Suez Canal in the area extending from Port Said to Suez.
- b) The Sinai Peninsula
- c) The area extending along the Red Sea coast from Suez south to political borders between the Arab Republic of Egypt and the Republic of Sudan, and West to the borders of the governorates of Upper Egypt until Aswan, then along the Nile South to the political borders.

Fourth: Western Borders

The area extending from the political borders between The Arab Republic of Egypt and Libya to longitude line no. 28 to the West from Ras El-Hekma area to the North and along this line to the southern borders with the Sudan.

Article 4

Customs areas shall be established, amended, or annulled through a decree by the Minister of Finance or whomever he authorizes.

Chapter 2 Customs Taxes

Article 5

Payment of Customs taxes, duties and other taxes and duties collected by the Customs Authority shall be effected by means of payable bank checks, debiting the account opened with the Administration, bank drafts, payment cards, or bank credit cards.

Customs taxes & duties or other taxes & duties may be paid in cash in the following cases:

- Personal effects, or
- Sums not exceeding L.E. 5,000 or any differences within that limit, resulting from settlements to sums paid through any of the specified methods of payment.

Without prejudice to special provisions in the law, goods imported as final imports shall not be released before the completion of Customs formalities and the payment of due taxes and duties.

Article 6

Presidential decrees pursuant to the amendment of the Customs tariff and also on the reduction of Customs tariff rates specified under bilateral and multilateral agreements concluded between Egypt and other countries, shall apply, as of the time of coming into force, to goods on which the Customs taxes have not yet been paid.

With regard to pre-release, the Customs duties shall be collected in advance, under settlement, till goods arrival, inspection, and verification. The Customs tariff rate applicable on the date of verification and inspection shall be applied.

Article 7

Taxes on goods subject to a specific rate according to weight shall be calculated on the basis of actual net weight. Customs taxes shall also be collected on containers and

cylinders that are reused in their existing condition, unless the importer requests temporary release of them.

Chapter 3 Prohibition and Restriction

Article 8

"Prohibited Goods" are items subject to absolute prohibition of importation or exportation for any purpose whatsoever by applicable laws and decrees and/or items rejected by the competent control authorities.

Prohibited goods arriving into the country may only be disposed of after reference to the competent control or security authorities.

Goods permitted by law to be imported or exported under special conditions or subject to the approval of the competent authority shall not be considered prohibited. In order for these items to be released or exported it is mandatory to comply with those conditions or obtain the approval of the competent authority.

Taxes and duties on goods transported provisionally under supervision of the control authorities pending final results of examination shall be paid as a deposit. It is prohibited to carry out final release before the final results of the examination are issued showing compliance, notifying the competent Customs office thereof and settling the Customs declaration.

In case the final results of examination indicate non-compliance, re-export procedures shall be taken within a maximum period of one month, as decided by the competent control or security authority, provided that transport to the Customs territory be conducted accompanied by the rejecting control authority's representative.

In case it is decided to destroy the non-compliant consignment, this shall be conducted under supervision of the rejecting authority, in the presence of the representative of the Customs office of release and at the expense of the stakeholder.

Article 9

Ships with a freight capacity under two hundred tons shall not transport, to or from the Republic, such prohibited goods or goods subject to heavy taxes as tobacco and/or

tobacco products including cigarettes, cigars, all kinds of alcoholic liquors and beverages except for the exclusive use of the ship crew.

Chapter 4 Elements Identifying Goods

First: Origin

Article 10

"Country of Origin" means the country where the crops, or natural or industrial commodities are produced.

The rules specifying the origin of goods if they have been subject to industrial processes in other than the Country of Origin shall be set by means of a decree by the Minister of Industry.

Article 11

If stakeholders claim that goods are eligible to be granted exemptions or preferential treatment in accordance with any bilateral, regional or international agreements to which Egypt is a party, such goods must comply with the rules of origin and be accompanied with a certificate of origin or such document denoting the origin as is specified in the agreement to be applied.

In case of non-compliance, taxes and duties shall be paid in full. If the stakeholder requests referral to arbitration, he shall have to pay the taxes and duties irrevocably agreed upon, and pay the disputed taxes and duties as a deposit pending issuance of the arbitration decision.

Article 12

The certificates of origin or other documents denoting origin and other attached documents shall be endorsed by the embassy or consulate of Egypt in the country of exportation. If there is no embassy or consulate of Egypt, endorsement shall be made by any Arab commercial representation in such country.

Goods imported within the framework of the following agreements shall be exempted from endorsement:

- Agreement on Facilitation of Trade Exchange among Arab Countries.
- Common Market for Eastern and Southern African Countries (COMESA)

- Egyptian-European Partnership Agreement
- Bilateral agreements concluded with Jordan, Lebanon, Tunisia, and Morocco. In case of a change in the position of any of these states, the principle of reciprocity of treatment shall apply.

Exemption from the above mentioned endorsement also applies to what is stipulated by the Executive Regulations of the Import and Export Law.

Validity of forms, signatures, and stamps of entities issuing the documents referred to in the first paragraph of this article and communicated to the Customs Authority, shall be verified.

Article 13

The source of goods is the country from which the goods are directly imported. Transit shall be deemed direct importation even if the goods cross more than one country as long as no modification is performed on it changing its nature, and provided that the bill of lading issued by the country exporting the goods indicates that the final destination of the goods is the Arab Republic of Egypt.

Second: Valuation

Article 14

The value for Customs purposes for products / goods – according to the provisions of the Implementation Agreement of the GATT Convention – is the transaction value, or in other words, the price actually paid or payable for sale of those products or goods to be exported to Egypt, in addition to costs to the extent that they are incurred by the importer but are not included in the price.

These costs include the following:

- a) Commissions and brokerage, except buying commissions;
- b) Containers cost together with the goods cost are considered as one unit for valuation for Customs purposes.
- c) The cost of packing whether for labor or materials,
- d) The value, apportioned as appropriate, of the following goods and services where supplied by the buyer, directly or indirectly, free of charge or at a reduced cost, for use in connection with the production of the imported goods, to the extent that this value has not been added to the price actually paid or payable:

1. Materials, components, parts and similar items incorporated in the imported goods;
 2. Tools, dies, moulds and similar items used in the production of the imported goods;
 3. Materials consumed in the production of the imported goods;
 4. Engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in Egypt and required for the production of the imported goods.
- e) Royalties and license fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued,
- f) The proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue to the seller, directly or indirectly.
- g) The cost of transport and insurance of the imported goods and relevant costs of loading, discharge and handling associated with the transport of the imported goods to the port of destination. With regard to freight and insurance, in case of failure to submit an actual document, similar prices at a simultaneous date shall be adopted, determined on a monthly basis through a decree by the Customs Commissioner.

Article 15

When adding the costs stipulated in the previous article, it is to be taken into consideration that they be based on objective and quantitative data, and that they be among the provisions of sale.

No addition shall be made to the price actually paid or payable on determining value for Customs purposes except in accordance with provisions of the previous article unless it is one of the provisions of sale.

Article 16

The value for Customs purposes does not include the following items:

- a) the cost of transport after importation
- b) duties and taxes imposed in Egypt
- c) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation on imported goods
- d) buying commissions

- e) The costs of marketing activities within Egypt, related to marketing the imported goods being valued.
- f) The costs of engineering and plans undertaken in Egypt and related to marketing the imported goods being valued.
- g) The costs related to the right to remanufacture the imported goods in Egypt.
- h) Interests resulting from a financing contract. These interests are paid on a financing contract signed by the buyer, whether financing is provided by the seller or by another party, provided that this contract is presented to the competent Customs Directorate on Customs valuation.
- i) Shares profits presented form the buyer to the seller.

This is on condition that these costs be stated separately and distinguished from the price actually paid or payable for the imported goods.

Article 17

The conditions that must be available to accept the transaction value for Customs purposes are as follows:

- a) that there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which:
 - 1. Are imposed or required by law or Public Authorities in Egypt;
 - 2. Do not substantially affect the value of the goods;
 - 3. Limit the geographical area in which the goods may be resold
- b) that the sale or price is not subject to some condition or consideration for which a value cannot be determined.
- c) that no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue to the seller, directly or indirectly, unless this can be added to the value.
- d) that the buyer and seller are not related in such a way as to affect the price, whether they are natural or judicial persons.

Article 18

In applying provisions of item (d) of the previous Article, persons shall be considered to be related in any of the following cases:

- they are employer and employee
- they are legally recognized partners in business

- any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them.
- one of them directly or indirectly controls the other;
- both of them are directly or indirectly controlled by a third person;
- together they directly or indirectly control a third person;
- one of them is a responsible manager in a firm belonging to the other, or
- they are members of the same family (kinship up to the fourth grade).

Persons related through a business relationship according to which one is the sole agent, distributor or franchise holder of the other shall be considered related if any of these cases applies to them.

Article 19

In case any of the relationships stipulated in the previous article exists, the competent Customs Directorate shall examine the circumstances surrounding the transaction to ensure that the relationship did not influence the price of the goods being valued. The competent Customs Directorate may request the importer to submit information, documents or justifications on the form prepared for that purpose. The importer shall be given an opportunity to respond, after consulting with the relevant manager of the complex, within a period not exceeding 30 days.

If the competent Customs Directorate still holds to the opinion that the relationship influenced the price, the importer or his agent may prove, within 30 days, that the relationship did not influence the price, and that the value declared is not less than the limit of 10% of one of the following values:

- a) the transaction value in sales to unrelated buyers of identical or similar goods for export to Egypt within 60 days before or after the date of exportation of the goods being valued;
- b) the Customs value of identical or similar goods as determined under the provisions of Articles 22 and 23 of this decree.

In applying the foregoing tests, due account shall be taken of the following:

- a) differences in commercial levels, quantity levels
- b) the elements of costs and expenses enumerated in Article 14 of this decree.

The aforementioned tests are to be used at the initiative of the importer and only for comparison purposes. Test values may not substitute for the value declared.

Article 20

The transaction value of goods shall not be applied according to Article 14 of this decree in the following cases:

- a) Items imported for personal use
- b) Items in the invoice that do not represent the actual value and for which the importer cannot justify the value with documents acceptable by Customs,
- c) Gifts, donations, samples and materials for propaganda
- d) Goods imported as a lease or deposit,
- e) Goods imported for the importer, from the origin to the branch.

Article 21

In case of doubting the truth and accuracy of the value declared, the following action shall be taken:

- a) In case the Customs Administration has reason to doubt the truth and accuracy of the data or documents, or of the value declared as the Customs value, prior to applying any other article the Customs Administration shall notify the importer / agent in writing of the reasons for doubt. The importer shall be given a reasonable opportunity to respond, after consulting with the relevant manager of the complex, within a period not exceeding 30 days of the date of notification of the importer / agent.
- b) If the documents submitted by the importer and the justifications presented to prove the truth and accuracy of the value prove convincing to the valuation committee at the Customs Complex, the transaction value shall be accepted. However, if the documents and the justifications presented to prove the truth and accuracy of the value prove unconvincing to the valuation committee at the Customs complex, and also in case of the respite granted in the previous article expires, the valuation committee at the Customs complex shall issue a written decision stating the case under dispute, and reasons and justifications for rejecting the transaction value. Upon request, the importer shall be notified of the decision in writing.

Article 22

If the Customs value of the imported goods cannot be determined according to the provisions of the previous articles, the Customs value shall be the transaction value of identical goods sold for export to Egypt within 60 days before or after the date of

exportation of the goods being valued, at approximately the same commercial levels and quantity levels.

In case the commercial levels or/and quantity levels are different, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

If more than one transaction value of identical goods is found, the lowest such value shall be used to determine the Customs value of the imported goods.

Article 23

If the Customs value of the imported goods cannot be determined according to the provisions of the previous articles, the Customs value shall be the transaction value of similar goods sold for export to Egypt. Provisions of Article 22 of this decree shall apply in this concern.

Article 24

If the Customs value of the imported goods cannot be determined under the provisions of the previous articles, the Customs value shall be determined under the provisions of the following two Articles, except that, at the request of the importer, the order of application of these Articles shall be reversed, provided that the competent Customs Directorate approves.

Article 25

If the imported goods are sold in the condition as imported, the following action shall be followed:

- a) The Customs value of the imported goods under the provisions of this Article shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold on the local market, in the greatest aggregate quantity, within 60 days before or after the date of arrival of the goods being valued in Egypt, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following:

1. Either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses in connection with sales in Egypt of imported goods of the same class or kind;
 2. The usual costs of transport and insurance and associated costs incurred within Egypt;
 3. The Customs duties and other national taxes payable in Egypt by reason of the importation or sale of the goods.
- b) If neither the imported goods nor identical nor similar imported goods are sold in the domestic market at or about the time of importation of the goods being valued, the Customs value shall, subject otherwise to the provisions of paragraph 1 (a), be based on the unit price at which the imported goods or identical or similar imported goods are sold in Egypt in the condition as imported before the expiration of 90 days after the importation of the goods being valued.
2. If the imported goods are sold after processing:
- a) If neither the imported goods nor identical nor similar imported goods are sold in the country of importation in the condition as imported, then, if the importer so requests, the Customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the country of importation who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1 (a).
 - b) Deductions made for the value added by further processing shall be based on objective and quantifiable data, out of registers, relating to the accurate cost of such work.
3. In applying this Article, the following shall be taken into consideration:
- a) Any sale to a person who supplies directly or indirectly free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any of the elements specified in paragraph (d) of Article 14 of this decree, shall not be taken into account in establishing the unit price for the purposes of this Article.
 - b) The unit price in the domestic market for imported goods shall be obtained out of the registers and books of the importer of the goods being valued, or the importers of identical or similar imported goods.

- c) Deductions made from the unit price to reach the Customs value shall be based on objective and quantifiable data.
- d) "Profit and general expenses" should be taken as a whole. The figure for the purposes of this deduction should be determined on the basis of information supplied by or on behalf of the importer / agent, provided that the importer's information be consistent with that obtained in sales in the country of importation of imported goods of the same class or kind. Goods of the same class or kind include goods imported from the same country of importation of the goods being valued. The "general expenses" include the direct and indirect costs of marketing the goods being valued.

Accounting principles and commercial practices used to apply provisions of this article shall be those applied in Egypt.

Article 26

If the Customs value of the imported goods cannot be determined under the provisions of the previous articles, the Customs value of imported goods shall be based on a computed value consisting of the sum of the following elements:

- a) The cost or value of materials and fabrication or other processing employed in producing the imported goods; profit and general expenses should be taken as a whole.
- b) An amount for profit and general expenses equal to that usually reflected in sales of goods of the same type or kind as the goods being valued which are made by producers in the country of exportation for export to the country of importation; profit and general expenses should be taken as a whole.
- c) The cost or value of all other expenses related to transport, insurance, loading, unloading and handling.

Accounting principles and commercial practices used to apply provisions of this article shall be those applied in the country of production.

Article 27

If the Customs value of the imported goods cannot be determined under the provisions of the previous articles, the Customs value of imported goods shall be determined using the same methods stipulated in these articles, but with a reasonable flexibility.

According to this article, flexibility is allowed as follows:

- a) If there are neither identical nor similar goods exported to Egypt within the periods stated in the previous articles, the Customs value can be based on the transaction value of identical or similar goods exported to Egypt within 120 days before or after the date of export of the goods being valued.
- b) If there are neither identical nor similar goods imported from the same producer of the goods being valued, the Customs value can be based on the transaction value of identical or similar goods produced by another producer in the same country of origin. If this is not available, the Customs value can be based on the transaction value of identical or similar goods produced by another producer in another country.
- c) The Customs value can be based on values of identical or similar goods determined under the provisions of either Articles 22 or 23 of this decree.
- d) If there is no unit price of the imported goods being valued, or identical or similar goods in the domestic market within the periods stated in Article 25, the Customs value may be based on the unit price in the domestic market within 180 days of the date of importation.

If the importer so requests, the importer shall be informed in writing of the Customs value determined under the provisions of this Article and the method used to determine such value.

Article 28

No Customs value shall be determined under the provisions of the previous Article on the basis of:

- a) The selling price of the locally produced unit, at the country of importation.
- b) a system which provides for the acceptance for Customs purposes of the higher of two alternative values;
- c) the price of goods on the domestic market of the country of exportation or production;
- d) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of Article 26 of this decree;
- e) the price of the goods for export to a country other than Egypt;
- f) minimum Customs values or (arbitrary) fictitious values.

Article 29

Used cars imported for personal or private use shall be offered a discount of 10% of the F.O.B. value as of the beginning of October in the year of manufacturing the model till the end of September in the following year, provided they comply with import rules.

The aforementioned cars imported after that date shall be offered a discount of 5% of for each following year as of the beginning of October each year, without prejudice to the discount and provisions referred to in the previous paragraph.

The discount rates stipulated in the previous paragraphs shall not exceed 50%.

Article 30

An importer or whomever he legally authorizes shall furnish the following documents:

- a. Completed Value Declaration with the original commercial invoice, endorsed by the chambers of commerce, and other documents related to the costs and expenses of freight, insurance and all the expenses and charges incurred as a result of importation of the goods until discharge in the port of arrival attached thereto, The commercial invoice shall include full data including the name of seller and buyer, the total sum paid or payable, complete description of the imported goods, and terms and conditions of contract.
- b. Contracts, correspondence, letters of credit and other documents necessary to evidence accuracy of the transaction value required by the Customs Authority if required for specification of value.

Article 31

An importer or whomever he legally authorizes may submit a request for release of his/her goods after submission of a financial guarantee equal to the amount of Customs taxes and other duties and taxes, if determination of value as a basis for the tax takes time to submit documents or explanations for the purposes of valuation.

Article 32

Information confidential by nature or confidential information submitted for purposes of Customs valuation authorities shall be treated as strictly confidential by Customs authorities. Such information may not be disclosed without a specified permit from the person or government that has submitted such information except to the extent requiring disclosure in the context of judicial procedures.

Article 33

Upon written request, submitted to the manager of the Customs site, the importer shall have the right to an explanation in writing from Customs, as to how the Customs value of the commodity subject to valuation has been determined.

Article 34

An importer or whoever he legally authorizes, may file an appeal against the decision of the Customs valuation committee of the Customs site to the relevant site manager, director or head of central directorate before resorting to arbitration.

Article 35

If the value of the imported goods is specified in foreign currency, such value shall be converted to Egyptian currency as per the Central Bank closing rate of exchange of the respective foreign currency on the last working day prior to the date of registration of the Customs declaration.

Part 2 Customs Procedures

- **Manifests**
- **Customs Declarations**
- **Customs clearance and brokers**
- **Inspection and withdrawal of Goods**

Chapter 1 Manifests

Article 36

The manifests must confirm to the following requirements:

- a) The manifests must be clear, and signed by the shipmaster carrier, and must contain ship name, nationality, ship number and date, types of goods (even if prohibited) parcel count, marks and numbers of packages, name of exporting and forwarding party and consignees and ports from which they were shipped.
- b) The manifests shall include container numbers and the content of each container, and the number of parcels and seals numbers on them.

The shipmaster shall present this manifest to Customs within a maximum of 24 hours of vessel arrival (official holidays not counted). The manifest shall be submitted electronically to the automated Customs sites within three months of the date of issuing this decree.

Article 37

An annex to the manifest may be accepted pursuant to the following provisions for bills of lading arriving with the means of transport's shipment but not declared in the manifest, according to the following provisions:

- a) The annex shall be submitted within 24 hours, of vessel (or carrier) arrival, together with a justification from the ship master, giving reasons for failure to include those bills of lading in the manifest
- b) The annex shall be signed by the shipping agency official and stamped from the Shipping Agency.
- c) Copies of the original bills of lading, issued on the date of shipping or earlier, must be attached
- d) The packages or containers shall not have been opened.

The same rules applied to the bill of lading shall be applied to the annex, in case the annex is accepted.

Article 38

The Customs Authority shall keep the manifest and papers set forth in the two previous articles in file for a period of five years. Such filing may be done by electronic means.

Article 39

The Customs manifest directorates shall review data of manifests, and attached documents and annexes, and shall specify the violations that occur in formalities and fines applicable thereto. Manifests may be accepted in hard copy or by electronic means.

Article 40

Ship captains, aircraft pilots and drivers of other means of transport or their representatives shall deliver the imported goods to Customs as per the amounts specified in main manifests. Shortage or overages in bulk goods may be disregarded on condition that such shortage or overages do not exceed 10%, which percentage is not subject to any penalties. Overages shall not be released except after payment of taxes due on the same.

Article 41

Responsibility for a partial shortage in packed goods shall be absent if such shortage is due to weakness in packages or leakage of the content as a result of loading, transport or discharge, within 5% calculated as per the content of each package separately.

Responsibility for shortage is also void in the following cases:

- a) a document issued by the shipping agency evidencing failure to ship the missing goods is furnished,
- b) a document issued by another destination port evidencing that the missing goods have been discharged in such port,
- c) A ship arriving with the seals of its chambers intact, provided that there are no other inlets or outlets other than the main entrance to each chamber.
- d) containers arriving with intact seals as per the numbers set out in the shipping document, or
- e) Parcels arriving in an outward intact, making it likely the shortage occurred prior to shipping.

In all cases, responsibility for shortage is absent if such shortage arises out of natural factors or force majeure.

Documents of justification of shortage referred to in items (a) and (b) of this Article shall be submitted within three months as of the date of completion of discharge.

Article 42

Ship captains, aircraft pilots and drivers of other means of transport or their representatives shall be subject to civil liability for compensation of the Customs tax on unjustified shortage in accordance with the provisions of the previous Article. No proceedings may be pursued regarding the same before expiry of the term provided for therein.

Article 43

Goods imported or exported by mail shall be accepted in accordance with the international postal agreements.

Article 44

The Manifest Director shall have the competency to amend any errors in manifests prior to registration in Register No. 46. If the request for amendment is submitted after

registration in Register No. 46, overseeing the amendment shall be the responsibility of the competent Customs Manager, in coordination with the Manifest Directorate, if necessary.

Article 45

Material errors in the importer's name in the manifest may be corrected pursuant to a request presented by the Shipping Agency, provided that documents supporting the accuracy of the name, such as invoices or a letter of credit, are presented.

The name may be amended in the manifest. This is not considered as a violation, in the following cases:

- a) If the beneficiary is a bank, a Shipping Agent, or a Freight Forwarder approved by Customs, or an aviation company or another means of transport, provided that the documents of ownership of the imported goods are in the name of the entity that the amendment is requested for.
- b) If the B/L is designated " To order", provided that the documents of ownership of the imported goods are in the name of the entity that endorsed it.

If amendment of the importer's name in the manifest involves concession of ownership, the percentage imposed by law is collected under the commercial and industrial profits tax account, from each of the two parties to the concession, unless one or both of them are exempted from this tax.

Article 46

The weights or piece counts recorded in manifests may be amended, according to the following provisions:

- a) The request for amendment shall be submitted by the shipping agency, aviation company and Freight Forwarding Agents approved by Customs, with a fax from the shipper abroad justifying the mistake in number or weight before the final balance of the shipment is taken from the means of transport or registration in Register No. 46, whichever is earlier.
- b) The said request shall be accompanied with the bill of lading and all the other documents evidencing the accuracy of the number and weight such as invoices, packing lists or any other document evidencing the same.

The decision on amendment shall be issued by the Manifest Director subject to the provisions on unjustified shortage or overage incorporated herein.

Article 47

Shipping agencies' requests to amend the declared destination in manifests may be accepted in the following cases:

- a) If the destination of goods designated as final imports is to be amended to free zones or private economic zones, provided that approval by the Investment Organization or Economic Zones Organization is presented. An exception to this may apply to consignments for which Customs declaration has not been registered, based upon a request by their owners, these can be re-designated as final imports or another Customs regime in case of abiding by its provisions, or re-exported outside the country through a recognized Customs facility.
- b) If the destination of goods imported for free zones or private economic zones is to be amended to be a final importation, on condition the Investment Organization's or the private economic zone's approval is received as required.
- c) If the destination of goods imported under the transit system is to be amended to be entered as importations or vice versa, prior to registration in Customs registers.

In all cases of amendment of the destination after registration in the Customs registers, the previous declaration shall be canceled.

Article 48

The Customs movement of goods control sections shall make an inventory of warehouses (storerooms and storage areas) in their respective territories as follows:

- a) Full inventory conducted quarterly for storerooms and bimonthly for storage areas.
- b) Partial inventory conducted monthly for the content of a specific route at on a random basis.

The following shall be adhered to with regard to inventory procedures:

- a) A stock list shall be prepared of the items belonging to the storing company, available on the day of inventory.
- b) A committee shall be formed consisting of a movement of goods control officer and a movement of goods control head of section to make an inventory of the items available and verify them against the registers.

- c) A report on the result of the inventory shall be produced and submitted to the director of the movement of goods control directorate. In case there is a shortage or overage, the report shall be submitted to the director of the competent complex for assessment of taxes and duties on the shortage or overage. The legal affairs directorate shall be notified of the same to take the necessary action.

Article 50

Based on a request by the stakeholder, the goods imported may be discharged directly from the means of transport under the following conditions:

- a) Consignments of marine charter contracts.
- b) Goods which by nature are:
 - 1. Perishable, such are meat, poultry and frozen goods.
 - 2. Goods, such as animal feed, that cause pollution of docks, warehouses or the like.
 - 3. Goods, such as crushed plastic, that become loose when handled in discharge or transportation.
 - 4. Hazardous goods such as chemicals and explosives.
- c) Loose (bulk) goods.
- d) Goods that are imported without packages.
- e) Consignments of big numbers that are imported in packages the contents of which can be inspected with the naked eye, based on the following conditions:
 - 1. Uniform packing and identical type,
 - 2. Homogeneous content or classified under the same Customs Tariff item.
- f) Goods to be delivered to owners thereof in sacks or barrels in big numbers.

Article 51

The direct discharge system may not be applied to certain means of transport (under the ship's tackle) with regard to consignments of inferior quality, or end runs or discontinued items or models.

This procedure may not be applied to items imported at several prices unless the importer / agent admits acceptance of the assessment of Customs taxes or duties or other taxes or duties at the highest price.

Article 52

In order to apply the direct discharge (under the ship's tackle) system:

- a) The stakeholder or his authorized representative shall so request, indicating, in the request, the justifications of withdrawing the consignment under this system and in accordance with the Customs declaration. The same shall be endorsed on the release permitted.
- b) The stakeholder or his authorized representative must pledge, in writing on the Customs declaration, to pay the taxes or duties in whole and not to claim a refund of the duties for any shortage that may appear upon release (principle of acceptance of shortage).
- c) The Customs Complex Directors shall approve withdrawal of the consignments according to this procedure,
- d) The documents necessary to value the consignments shall be submitted. The initial procedures thereof shall be finalized and the release permit thereof shall be given, and
- e) The approvals, when necessary, of the competent specific control bodies shall be obtained prior to release.

The goods approved to be released under this system shall forthwith be subject to examination, inspection, verification and weighing according to the nature of the item and packages in accordance with the rules governing such formalities.

Such goods shall be inspected by a committee to be formed for this purpose comprised of a Tariff Officer and the Tariff Head of Section. The result of the inspection shall be registered on the Customs Declaration. The Director of the competent Customs office shall approve the opinion of the committee.

Article 53

Goods may be imported in mail dispatches and packages under all Customs systems and exemptions, and shall be released according to the following procedures:

- a) Mail packages shall be delivered by the carrier to the Egyptian Postal Authority to be transported from Customs areas to Mail Customs under Customs supervision.
- b) The relevant officials at the Egyptian Postal Authority shall sort out, classify and enter mail packages into the computer or into registers, on a daily basis under Customs supervision
- c) As soon as the Egyptian Postal Authority presents data on packages, a Customs committee, in the presence of the Postal Authority representative,

shall report the outward condition of the packages, inspect and value them.

In addition, the following procedures shall be carried out:

1. Document inspection and determine heading, value, and due taxes and duties on mail forms.
 2. Issue a report on package condition in case there is a shortage or overage in package content compared with data of mail declaration or documents attached to packages
 3. Specify fulfilling the approvals of control and security entities, if any.
 4. Fill in Customs forms instead of mail forms in case of requesting packages or mail dispatches to be released under any of the special Customs regimes or exemptions, or if they contain goods in commercial quantities or goods the value of which exceeds the value stipulated in the Executive Regulations implementing the Import and Export law.
 5. Head of tariff section shall approve the mail form. This shall be considered as Customs release of the packages.
- d) The Egyptian Postal Authority shall send a consolidated form to Customs, stating the packages released. Customs shall enter data into the computer or into registers to be archived at the document Archiving Directorate
- e) Mail packages Customs accounting directorate shall finalize mail package entries in the computer or in the mail packages entry register under the receipt number.

Article 54

The mail packages Customs office shall determine the Customs tax, and a postal form shall be filled in for each package separately. Packages may not be aggregated in one Customs form for the same stakeholder and the same applies to documents and letters.

Article 55

In case the stakeholder appeals against due taxes and duties and refuses to receive mail dispatches and packages, the Customs Manager shall form a committee to reconsider the taxes and duties after transferring the packages to the main office if the packages are in subsidiary mail offices. In case of reducing due taxes and duties, the Postal Authority shall be notified of the modified taxes and duties. In case the committee reduces the taxes and duties, the Postal Authority shall be notified of the modified taxes and duties. If the appeal is rejected the stakeholder shall be notified of the decision and the reasons for rejection. If the stakeholder refuses to receive the

package, the Postal Authority shall re-export it or deliver it to Customs for delivery to the abandoned goods Directorate in case of waiver or expiration of the legal period specified for receiving the package.

Article 56

It is forbidden to bring in or take out Egyptian currency through mail packages or letters.

Article 57

Mail offices shall remit collected taxes and duties due on mail packages to ECA, according to the Agreement made between ECA and the National Postal Authority.

Article 58

Goods may be exported in mail packages or dispatches under all Customs systems as follows:

- a. The sender shall fill in the required information on the Customs postal form concerning the mail dispatches or packages, as the case may be.
- b. The National Postal Authority shall refer the mail packages and dispatches to the competent Customs office for inspection and specifying the control and security authorities whose approval shall be obtained, the taxes and duties, if due, and completion of the exportation procedures, provided however that the maximum limits of the value of non-commercial dispatches and packages shall not be exceeded, in accordance with the Executive Regulations implementing the Import and Export Law.

Upon a request by the sender, the packages or dispatches the consignee has refused to receive abroad or those that have been returned for failure to locate the address, may be returned, after ensuring that they haven't been opened.

The Customs Authority is entitled to refer the returned packages whose owners have failed to receive within four months as from the date of arrival to the Abandoned Goods Directorate, after ensuring they have been notified.

Chapter 2 Customs declarations

Article 59

In order to complete Customs procedures and release imported or exported shipments, registration in the stakeholders' register is mandatory. A copy of the stakeholders' registry card shall be attached to release documents, except for goods imported for personal use.

When necessary, the Manager of the relevant Customs site can allow the stakeholder a temporary registration procedure until completion of the documents required for registration in the stakeholders' register, provided that the stakeholder submits his Tax Card and Sales Tax Authority registration certificate.

Article 60

In order to be registered in the stakeholders' register, stakeholders must submit the documents indicated in each case:

- a) Import for Trade:
 1. Tax card.
 2. Card of registration in the importers register.
 3. Sales Tax Authority registration certificate.
- b) Import for manufacture:
 1. Tax card.
 2. A document issued by an official entity, certifying the production, industrial, or service activity, or card of registration in the production needs and requirements register.
 3. Sales Tax Authority registration certificate.
- c) Export:
 1. Evidence of registration in the exporter's register, except what shall be exempted through a special provision.
 2. Sales Tax Authority Registration Certificate.
 3. Tax card.
- d) Shipping Agencies:
 1. Tax card.
 2. Copy of license from the Ministry of Maritime Transportation or its bodies.
 3. Port Authority Registration Certificate for the agents working within the port
 4. Receipt for cash deposit payment (LE 10,000) to the Central Manifest Directorate.
- e) Commercial agents and brokers:
 1. Card of registration in the commercial agents and brokers' register.
 2. Tax card.

- f) Scientific Services offices:
 - 1. Card of registration at the scientific services offices register.
 - 2. Tax card.
- g) Stakeholders within the port:

Contractors for catering, services, and repairs for ships and other marine facilities, marine supplies contractors, ship salvage merchants and other stakeholders within the port area shall submit the following documents:

 - 1. National Social Insurance Organization (SIO) registration document.
 - 2. Tax card.
 - 3. A copy of the commercial register.
 - 4. A copy of a license for practicing the profession or activity, issued by the relevant entity.
 - 5. Port Authority Registration Certificate for the agents working within the port.

Article 61

A Customs declaration shall be submitted for any goods prior to starting completion of formalities, even if the goods are exempted from Customs duties. The Customs declaration shall include all data and elements that enable Customs to apply Customs Regimes and collect taxes if due.

Article 62

The validity period of Customs declarations, for clearance purposes, shall be six months, or expiration of a specified abandonment period, whichever is earlier, starting on date of registration in the Customs registers, unless such declarations are subject of Customs dispute, and are being examined by courts or arbitration committees, or are under consideration; in such a case, the validity shall be one month from the closing date of arbitration, consideration or dispute settlement.

Article 63

The following documents shall be submitted along with the Customs declarations of imported goods:

- a) Customs stakeholders' registry card (Dealer's Card)
- b) Maritime delivery order; except for pre-arrival processing.
- c) Bill of lading or a copy of it, for pre-arrival processing.
- d) Control and security authorities' approval, as the case may be.
- e) Commercial Invoice.
- f) Packing or weight list.

- g) Certificate of Origin, when requesting Customs exemption, Customs preferential treatment, or any other cases, according to the Executive Regulations implementing the Import and Export Law.

Article 64

The following documents shall be attached to the Customs Declarations of exported goods:

- a) Customs stakeholder registry card (Dealer's Card)
- b) Shipping permit, if any
- c) Invoices
- d) Packing list
- e) Control and security authorities' approval, as the case may be.

Article 65

Customs declarations shall be registered with the Customs Authorities under a serial number, after ensuring that they are submitted by the stakeholder/agent, and that all required data are provided, as follows:

- a) A Customs Register (No. 46) shall be assigned to each Customs Regimes, whether for import or export.
- b) Each Complex shall keep an emergency register to be used in case of computer failure. The declarations shall be entered in this register under an emergency serial number peculiar to the Complex. Procedures shall be conducted manually after registering at the Complex's incidents register. The Complex Manager may issue related instructions in this regard.

Once the computer system becomes operational, the data included in the emergency register must be entered into the computer system, and the original Register (No. 46) serial number shall be registered in the emergency register.

Article 66

Customs Declarations shall be registered in Customs Register No. 46 at the Customs office in the territory of which the shipment is stored, based on the manifests received by the Customs office, excluding the pre-arrival processing system and the Advanced Customs Centers.

The following computerized procedures shall be completed by the declarant:

- a) Input Customs declaration data into ECS

The stakeholder shall enter Customs Declaration data into ECS using one of the following means:

- Through terminals at importers' or brokers' offices connected to ECS
- Through stakeholders' service centers at executive Customs sectors
- Through modernized logistics companies connected to ECS

It is to be taken into consideration to enter full Customs declaration data and enter price data according to the WTO Customs Valuation Agreement, for each item as per invoices, in detail and with the value in foreign currency.

Under all conditions, entering data shall be the stakeholder's responsibility.

In case the Customs declaration is submitted by the stakeholder's agent, the agent shall be an approved Customs broker.

- b) Complete control and security authorities' formalities (in case review by these authorities is mandatory).
- c) The stakeholder prepare the Customs declaration file after printing the computerized declaration, by attaching the required documents and two photocopies of each to the declaration.
- d) Submit Customs declaration file (computerized declaration + required documents) to the reception desk, against a receipt for delivery.

Article 67

On submitting the Customs declaration file to be registered in Customs Register No. 46, the relevant Customs officers shall verify the signature of the person completing the shipments' Customs procedures, after verifying his license and his signature on the admitted value thereby, ensuring completion of all data and reviewing all documents.

Registration number in Customs Register No. 46, together with the Customs office and date shall be marked in due place on the file cover, and on all submitted shipment documents, particularly the invoices and packing lists delivered to the stakeholder.

The Customs office shall stamp all documents attached to the declaration.

Article 68

After submission to the Customs Authority and registration in Customs Register No. 46, it is possible to modify the clarifications made in the Customs declaration, that enable Customs to apply Customs Regimes and collect taxes if due, only if the stakeholder furnishes an acceptable excuse before determining the packages to be inspected. Material mistakes in this document can be modified at any of the release stages.

In all cases, modifications registered in Customs Register No. 46 shall only be made based on a written decision by the Customs Office Director.

Article 69

When submitting Customs declarations for release of goods from Customs zones, the following shall be observed:

- a) In the case of presenting stakeholders'/agents' registry cards, the documents registered on them shall not be requested.
- b) Documents submitted shall be original except in the case of pre-arrival processing.
- c) Submitting the packing list shall not be mandatory except in the case of pre-arrival processing and release through Modernized Customs Centers if the shipment content consists of bulk goods of uniform packing and identical type..
- d) The items included in the invoices as per unit, not per weight, shall not be weighed, unless necessary.
- e) No handwriting is to be used unless necessary, and in the space assigned for that purpose.
- f) That which is performed electronically shall not be repeated manually.
- g) Triple name shall be placed next to signature.
- h) It is not allowed to perform release under two regimes through one Customs declaration.
- i) In case the stakeholder requests release of the contents of the shipment under two different Customs Regimes, he shall submit a request to the Central Manifest Directorate, prior to entering data into ECS and registration in Register No. 46, to split the bill into parts. Release of the contents subject to each Customs regime is effected through a separate Customs declaration. Reductions stipulated for assembly industries may be applied for in a request for release under the drawback regime.

- j) Prior to registration in Register No. 46, the stakeholder / agent may consolidate Bills of Lading, provided they arrive on the same means of transport, belong to the same stakeholder, and are to be stored in the same Customs territory. The numbers of these B/Ls shall be stated in the import declaration submitted.

Chapter 3 Customs Clearance & Customs Brokers

Article 70

It is not allowed to practice the profession of (Customs) clearance of goods for others without obtaining a license from the Customs Authority. The license is issued for a period of three years, and is renewable as stipulated in these regulations.

The license expires if not renewed prior to the end of its validity period, and may be renewed, based on the broker's request to be reinstated, provided that the broker meets the provisions for practicing the profession, as stipulated in these regulations.

Article 71

Without prejudice to the legal status of Customs brokers who have been previously licensed to practice the profession prior to enforcing these regulations, persons practicing the profession of clearance of goods from Customs according to provisions of the previous article shall meet the following requirements:

- a) Has A.R.E nationality.
- b) Has his own office
- c) Be highly qualified (University graduate).
- d) Be at least 21 years old.
- e) Has not been previously convicted of a crime or misdemeanor for breach of honor or honesty or a Customs smuggling crime, unless reinstated. The applicant must prove this by submitting a clean criminal record
- f) Has not been terminated from service in the government, public organizations, or had his name struck off the Customs brokers' roll for a breach of honor or honesty, unless a minimum period of 5 years has elapsed since then.
- g) Has performed military service or has been exempted from it.
- h) Has attended training courses held by the Customs Authority and passed the exam qualifying for the profession at the end of the courses. Highly qualified ex-Customs employees shall be exempted from attending the training courses, provided that they pass the aforementioned exam.
- i) Submits a tax card.

Article 72

A request for obtaining a license for practicing the profession of Customs broker shall be submitted, on the form prepared for that purpose, with supporting certificates and documents attached to prove meeting the provisions stipulated in the previous article.

Licenses may be issued for legal entities, provided that they meet the following requirements:

- a) Submit a commercial register
- b) The company shall have separate premises

Clearing operations are to be practiced by brokers meeting the aforementioned provisions only.

Article 73

Each Customs brokerage office shall deposit a cash deposit of LE 5000 with the ECA. The ECA may deduct from this deposit the amount of penalties, compensations and other violations committed by the broker or the agents employed by him to compensate the ECA for damages caused by them or attributable to them during performance of clearance processes. The amount shall be completed to substitute the penalties or compensations deducted.

Article 74

A Customs broker shall comply with the following:

- a) Keep a special register, with pages bearing serial numbers and stamped with the Customs official State stamp, to register serially the shipments cleared, together with entering the Customs declaration number, and the Customs receipt number and date. The broker shall submit the register and the documents to Customs, on demand, for auditing.
- b) Deliver a detailed statement to the client, signed and stamped with the office stamp, stating expenses, clearance fees, and taxes and duties paid.
- c) Maintain this register for 5 years.

Article 75

Ministries, government authorities, public organizations and their economic units, public enterprise sector companies and their equivalents, embassies, and commercial and production companies may conduct Customs clearance of their own shipments

through their personnel, provided that they attend a Customs Clearance Training Course, and based on a written authorization from these entities. The Customs Administration is entitled to reject any of them, and notify the organization with the reasons for rejection.

Article 76

A disciplinary panel shall be formed in each Central Directorate, to be responsible for taking the brokers to account for the breaches they commit that are referred to the panel. The disciplinary panel shall be headed by a General Manager, selected by the relevant head of Central Directorate, with the following as members:

- a) Legal Affairs Manager
- b) Customs Brokers Representative
- c) Member to be selected by the chief of the competent Central Directorate.

Decisions shall be adopted by the majority of votes, and shall be recorded.

Article 77

The disciplinary panel may inflict the following penalties:

- a) Warning
- b) Suspension for a period not in excess of six months for the first violation, to be doubled in case the violation is re-committed within three years.
- c) License Termination

The recommendation made by the panel shall be executable only after approval by the Customs Commissioner, who can reduce the penalty, and whose decisions are final and duly executable.

Article 78

None of the penalties stipulated in the previous Articles shall be inflicted, unless the broker is interrogated, and his defense is heard under the supervision of the Customs Authority.

In case of gross violation, the Minister of Finance may suspend the broker's license until the recommendations of the disciplinary panel are issued and approved.

Article 79

The relevant Customs Manager, in whose jurisdiction the violation is committed, shall communicate the penalties inflicted on the brokers to the Central Directorate for Economic Research and Tariffs, in order to have them recorded in registers and notify all Customs Sectors of them.

Article 80

The license granted to a broker shall be revoked in case a final rule is passed against him in a crime or misdemeanor for breach of honor or honesty or if he misses one of the provisions required to practice the profession.

Article 81

Licenses may be issued for the following categories, according to the provisions stated next to each:

a) Assistant Broker:

This license shall be issued to public clearance offices in numbers adequate for their volume of work, regardless of the set conditions. Assistant brokers' work shall be restricted to assistance tasks for the office, and they shall not be present at the stages of examination and valuation.

b) Office Broker:

The aforementioned provisions for issuing a license for a public broker apply here as well, except for the provision of establishing an office and that of payment of a deposit. His work is restricted to his office's clients.

c) Representative:

Requests for issuing representatives' cards shall be submitted to the Directorate of Brokers Affairs, together with the educational qualification and an authorization from the entity or company they belong to, consenting to issuance of the cards.

Article 82

The issuance of shipment clearance licenses by Customs Authority is to be conducted according to the forms prepared for that purpose.

Chapter 4 Inspection and Withdrawal of Goods

Article 83

The entities operating in the different ports shall not inspect or examine incoming shipments prior to commencement of Customs formalities, and shall conduct

inspections or examinations only in the presence of the Customs Authority representatives.

Any information or reports made to any security body shall be reported to the Customs Authority, to be verified during the inspection at the relevant Customs office.

Article 84

The General Directorate for Risk Management at the Customs Authority shall determine the criteria for selection and inspection, and shall enter and update them on the computer system.

Article 85

The relevant Customs office shall examine the documents and determine the release channels (Green – Yellow – Red) according to the criteria on the computer database. The relevant Tariff Manager shall determine the channels manually in the event that the computers are down.

Article 86

A Directorate shall be set up in the Customs Authority to serve major stakeholders, to facilitate and expedite release of their imported consignments, according to the provisions and rules of a decision to be issued by the Customs Commissioner.

Article 87

In Inspection for Customs Purposes, the following shall be taken into consideration:

- a) The minimum rate to be inspected in any consignment, including vehicle spare parts, shall be 10% of the parcels, provided that the approved invoices and packing lists are submitted. The invoices should indicate the following information: brand names, trade marks, item numbers, and numbers and initials identifying the item.
- b) The competent Tariff Director may reduce this percentage for shipments with large numbers of parcels, or fragile if having homogenous packs. In case of failure to present packing lists that meet all of the aforementioned criteria, a complete inventory inspection should be performed for the whole shipment to verify brand names, marks, and numbers defining items. This procedure is to be applied in any case where discrepancies are found in verifying parcel contents against the packing lists, which should meet the provisions according to the recommendations of the Customs committee.

- c) The inspection percentage to be applied to goods imported for the use of governmental bodies and the like is (1%) of the whole content, provided that packing lists are submitted.
- d) Used goods, stocks, and refunds should be subjected to full inspection (detailed inventory).
- e) It is mandatory to open all shipment parcels and perform a detailed inventory in the following cases:
 - 1. The availability of credible information indicating violations within the consignment.
 - 2. Receiving parcels without brand names, printed trade marks, or finding those marks to be in a non printed form (manual).
 - 3. Selecting any of the shipment parcels and found after opening to be non-complying with the data indicated in the presented documents.
 - 4. Not performing a detailed inventory on parcels that are found not to be intact upon receipt.

Loose (unpacked) goods that are valued by weight may be inspected if the content is accessible to visual inspection.

In all cases these rules should not be contradictory to the Direct Withdrawal Regime.

Article 88

In case of release of goods and items imported to be re-exported, under any Customs Regime, an accurate description shall be made during examination and inspection of these imports so as to remove any ambiguity.

Article 89

The following consignments shall undergo X-ray examination:

- a) Transit consignments imported for public free zones.
- b) Consignments containing one type, with identical packages.
- c) Consignments that the relevant Customs office sees it necessary to undergo X-ray examination, for which the reasons should be indicated on the Customs declaration, under the supervision of the Customs Office Manager or whomever he delegates.

Article 90

Customs formalities for final imports shall be conducted as follows:

First: Input the Customs declaration data into ECS

- a) The stakeholder/agent shall enter Customs declaration data into ECS using one of the electronic means of connection to ECS
- b) Customs declaration file, including the computerized declaration and the required documents according to purpose of importation, shall be submitted to the reception desk at the relevant Customs office.
- c) The declarant shall be given a receipt after the computerized declaration is signed and the attached documents are reviewed.
- d) The release channel (red – yellow – green) shall be determined and all attached documents shall be perforated, by means of an electronic punch, with the Customs declaration number.
- e) The file cover shall be stamped with the date and time of file delivery.

Second: In the case of release through the green channel:

- a) The file shall be referred to the relevant committee to review the data incorporated by the stakeholder in the declaration, to ensure entry of the entire invoice items, along with matching the packing data with the invoice, as well as compliance with import rules.
- b) In case obtaining control and security authorities' approvals is mandatory, the declaration shall be stamped with these authorities' stamp prior to release. The stakeholder shall receive a copy of the control and security authorities' approvals, with the original invoice and packing list attached. After these authorities' approvals, the approved copy shall be submitted, indicating the approval.
- c) The file shall be submitted to the Accounting Directorate, to process the following:
 1. Add any duties not entered on ECS.
 2. Taxes and duties shall be paid by the stakeholder /agent in a way acceptable to Customs
- d) The stakeholder /agent shall submit taxes and duties payment receipts to the computer officer in charge for payment verification.
- e) The original of the release permit, with copies of the invoice, delivery order and packing list attached, shall be delivered to the stakeholder, marked "No objection to release", in return for the receipt previously received. The release permit copy shall be sent out after being stamped with the State stamp. The

storing company should be notified (if electronic connection is available), and the consignment is released.

In all cases, the Customs Director may, where warranted, change the release channel from green to red.

Third:- In the case of release through the yellow channel, the file shall be returned to the stakeholder to complete the required documents.

Fourth:- In the case of release through the red channel, the following shall be done:

- a) Notify the stakeholder of the time and place of inspection
- b) Distribute the Customs declarations file to the valuation committee to conduct the following;
 1. Review the value according to the valuation rules stipulated herein and ensure inclusion of all invoice data in the computerized declaration.
 2. Review the Customs tariff heading according to the Integrated Tariff and verify against the stakeholder's description of the item.
 3. Ensure the entering of all invoice items into ECS, whether with regard to quantities, types, or unit price.
 4. Review the import documents, and ensure their adequacy.
 5. In instances where review by control and security authorities is mandatory, stamp the declaration with "Complete control and security authorities' approvals, and complete inspection and verification prior to release". In instances where review by these authorities is not mandatory, stamp the declaration with "Complete inspection and verification prior to release".
- c) The Head of the Tariff Section approves the valuation committee's decision and nominates the inspection committee (tariff officer + movement of goods control officer) electronically or manually.
- d) The stakeholder/ agent shall pay any taxes and duties due and deliver payment receipts to the reception desk. The original of the release permit, with copies (identical to the original) of the invoice, the delivery order and the packing list attached, shall be delivered to the stakeholder in return for the receipt previously delivered to him on submitting the file and the release permit to Customs. The stakeholder goes to the storage location for the completion of inspection, verification and control and security authorities' approvals.

- e) The Customs Inspection and Verification Committee (tariff officer + movement of goods control officer) meet at the storage area at the appointed time, in the presence of the stakeholder / agent, to verify the required percentage of the shipment against the invoice or packing list. All Customs and control formalities shall be completed jointly, in coordination with the relevant control or security authority.
- f) The stakeholder shall be notified if there are comments or in case any additional documents are requested.
- g) In case of discrepancy, an inventory form shall be filled out for complete inspection of the whole consignment. The movement officer shall have competency to review quantities, check numbers and verify the numbers marked on the goods, and the tariff officer shall have competency for the inspection and technical description of items.
- h) In case of conformity, the original and a copy of the release permit shall be stamped with "No objection to release", and the automated declaration shall be signed by the tariff officer for conformity, with no need to record an inspection or fill out an inventory form. The copy of the release permit shall be sent to the exit gate and the original shall be delivered to the stakeholder.
- i) In case of non-conformity, the original of the release permit shall be cancelled by being stamped with "Non-conforming". It shall be withdrawn from the stakeholder. A report on the discrepancy shall be prepared to restart the conduct of procedures as per the actual imports, and to take any necessary action by the Customs Director.

Article 91

The stakeholder / agent may request partial release of the contents of each bill of lading separately. It is to be taken into consideration that this splitting up shall not result in an exemption or reduction of Customs taxes and duties or other duties, or in the splitting up of quantities of the same item of goods into parts.

Article 92

Customs procedures on imports, in the case of splitting up the bill of lading, shall be completed as follows:

- a) A Customs declaration shall be filled out inputting complete B/L data into Register No. 46 on the computer system, in the importer's name as stated in the manifest. Completion of inspection, verification and agreement endorsements and control and security authorities' approvals, if any.

- b) The stakeholder/agent shall submit a request, in an original and two copies, for partial release of the contents of the bill of lading, stating the number of packages requested to be released, and the numbers marked on the packages. In case of approval, a Customs declaration shall be made of the partial contents, provided that the number of partial releases does not exceed three. The relevant Head of the Central Directorate may allow exceptions to this limitation, based on justifiable reasons.
- c) The Customs Committee shall determine the taxes and duties payable on the quantities requested to be released, based on the exchange rate announced on the date of registration in Customs Register No. 46, marked on the Customs declaration and the Customs tariff heading applicable on release.
- d) A copy of the request shall be dispatched to the Movement of Goods Control Directorate to review packages and numbers; a second copy of the request shall be dispatched to the balances section for deduction from the B/L balance.
- e) The original and copy of the release permit shall be made for the quantities requested to be released, and these shall be deducted from the Customs declaration. The release permit shall be given subsidiary numbers with the Register No. 46 number.
- f) After taxes and duties are paid, and the released quantities are deducted from the original Customs declaration, the partial release permit and its attachments, and a copy of the withdrawal request showing the quantity of packages and the numbers marked on them, shall be delivered to the stakeholder. These documents shall be filed at the Procedures Section, registering the payment receipt number and the date on the original Customs declaration and a copy of the release permit.

The remaining part shall be released based on the original Customs declaration, with all of the original documents attached.

Article 93

Based on the stakeholder's request, inspection of imported goods of a special nature may be completed, for justifiable reasons, outside Customs territories, as follows:

- a) The Customs Commissioner or Heads of Customs Sectors approve this procedure.
- b) A Customs inspection committee is formed after due transportation fees are collected.

- c) A Customs declaration of the goods is completed and payable taxes and duties are assessed as per documents, to be paid as a deposit.
- d) The packages to be inspected shall be transferred, after placing Customs seals on them next to the maritime seal, if any, and under Customs control and supervision, to the entity or factory premises until inspection is conducted.
- e) The Customs inspection committee shall break the Customs seals, inspect and verify the consignment against documents, settle the deposit as final, and collect differences, if any.

Article 94

The following Customs procedures for final imports shall be followed for Pre-Release:

First: Formalities prior to arrival of goods:

- a) The stakeholder/agent shall submit a request to complete Customs procedures under the Pre-Release Regime.
- b) In case there is an import violation, procedures shall be completed at the Customs office of arrival and the procedures completed at the Pre-Release Center shall be canceled.
- c) A Customs declaration shall be filled out at the Pre-Release center after submitting the required documents, release channel is determined. Documentary review is conducted. The stakeholder shall receive a copy of the release permit, and control and security authorities' approvals, with the original invoice and packing list attached.

Second: following arrival of goods

- a) The Stakeholder / agent shall submit the release permit, the maritime delivery order and a copy of it, and the original documents, if not submitted on completion of initial procedures, to the relevant Customs office.
- b) Customs declaration data shall be retrieved on the Customs terminal end to ensure accuracy of data presented to link the manifest with the computerized declaration (enter B/L in Register No 46)
- c) In case of release through the green channel, the original of the release permit (after being approved by Control Agencies) shall be delivered to the stakeholder/ agent, with copies of invoices and packing list and maritime delivery order attached, to go to the exit gate to release the consignment together with its attachments, and a copy of the release permit and attachments shall be sent to the exit gate. The original and copy of the release

permit shall be stamped with "No objection to release", and the registration shall be finalized.

- d) In case of release through the red channel:
The stakeholder / agent shall deliver the release documents to the inspection committee for finalizing the procedures of Customs, Control and Security Agencies jointly. If the above mentioned agencies approved the release, the original of the release permit shall be delivered together with its attachments to the stakeholder / agent, stamped with "no objection to release", to go to the exit gate to release the consignment, and the registration shall be finalized.
- e) The relevant Customs office of release shall be notified of verification and approval of release. The copy of the release permit and attachments shall be sent to the exit gate, stamped with "No objection to release", to be checked against the original on release.
- f) In case of discrepancy with regard to quantities or types, the original of the release permit shall be withdrawn and physical inspection shall be conducted on the whole consignment. Taxes and duties shall be recalculated on the actual imports. Legal action shall be taken.
- g) In case of control and security authorities' refusal to release the consignment, the original of the release permit shall be withdrawn and attached to the control and security authorities' copy indicating the rejection. The set procedures shall be followed, whether by re-export, or destruction. The consignment shall be dispatched to the Pre-Release Center to apply procedures for tax and duty rebate.

Article 95

Customs procedures for release of petroleum shall be completed as follows:

- a) The stakeholders/agent shall submit a storage order to the Petroleum Customs Directorate, whether for crude oil, derivatives or by-products.
- b) The Petroleum Transaction Directorate shall prepare lists of these imports based on actual measuring reports prepared by the measuring committee, in which Petroleum Customs is represented, and send them on a periodic basis to the Petroleum Customs Directorate.
- c) The balances directorate at Petroleum Customs shall register data of these imports on the computer or in registers prepared for that purpose. The data shall include type, quantity, and the name of the importing company or entity.
- d) The stakeholder/agent, when desiring to release imported oil or its by-products, shall enter Customs declaration data into ECS, submit a Customs declaration

file to Petroleum Customs to complete the Customs procedures for release stipulated herein, whether under the Final import Regime or under a special Customs Regime.

- e) Monthly verification shall be conducted of the balances at the Balances Directorate against the transaction lists sent by companies. In case there is a violation, legal action shall be taken

Article 96

Customs procedures for the release of tobacco shall be conducted as follows:

- a) Storage shall be completed, whether in warehouses inside Customs zones or in external warehouses, according to the usual Customs procedures for storage, taking into consideration that all packages shall be given serial numbers according to year of storage.
- b) For release, the packages required to be released shall be initially deducted by the Balance Section.
- c) The usual Customs formalities for final imports shall be followed for release of the packages required to be released.
- d) Customs taxes and other payable taxes and duties on imported tobacco shall be assessed based on actual weighing conducted by Customs on release, if containers arrive in an intact condition and their numbers conform to the numbers on the B/L, or if the packages arrive in an outwardly intact condition. In case they do not remain in that condition until released, the tax shall be calculated on the basis of weight on storage. In case containers or packages arrive in a damaged condition and with a shortage in weight, payable taxes shall be assessed based on the packing list data, unless the shortage is justified by credible documents acceptable to the Customs Authority according to the provisions of Article 38 of the Customs law.
- e) A list of Customs declarations on which taxes and duties have already been paid shall be prepared and sent to the Balance Section, to make final deduction. A receipt number shall be indicated next to the packages.

Tobacco may be partially released according to the procedures stipulated herein, not in excess of 75% of the total content of the declaration. Customs taxes and other payable taxes for the remaining part of the content of the declaration shall be settled and collected in one installment.

Article 97

The following procedures shall be completed for tobacco wastes:

- a) Weigh the wastes regularly, supervise packing and keep wastes register. The matter is referred to the Customs Director, on a timely basis, so as to prevent piling in warehouses.
- b) The Customs director shall form a committee comprised of a tariff officer and a movement officer to inspect the waste and verify its type.
- c) Control authorities shall be notified to conduct examination and determine if the tobacco wastes are suitable for human use or not.
- d) In case the Control Authority decides the wastes are suitable for human use, they shall be weighed and formalities shall be taken to sell them according to the applicable procedures in these regulations. In case the competent Control Authority decides the wastes are not suitable for human use, they shall be destroyed by a committee formed by the Customs Director for that purpose, according to set rules. The costs of destruction shall be borne by the entity in charge of storing the wastes.

Article 98

Customs procedures for final exports shall be conducted as follows:

- a) The stakeholder/agent shall enter Customs declaration data into ECS using one of the electronic means of connection to ECS. A printout of the computerized declaration is made, and the required documents are attached and presented at the reception desk to undertake the following:
 1. Have the declarant sign the computerized declaration.
 2. Review file documents, ensure documents are attached, and register them in the space assigned for that purpose on the file cover, together with control authorities' approvals, if any.
 3. Determine release channel (red – yellow – green) as decided by the Risk Management Directorate (electronically or manually).
 4. The procedures officer at the reception desk shall automatically perforate all attached documents with the registration number in Register No. 46, and stamp the file indicating date and time of submittal.
 5. The Tariff Manager shall undertake review and sign the two copies of the release permit issued and payment notices for taxes and duties, if any. The file is referred to the Procedures Section.
- b) The Procedures Section shall conduct the following:
 1. Review registration of shipping permit data against the original and copy of the export release permit

2. Send the original of the export release permit issued to the reception desk, with copies of invoices, packing list, and payment notices, if any, attached.
 3. Confirm that duties and royalties, if any, have been paid.
 4. Send a copy of the export release permit issued to the Exports Movement Directorate, with copies of invoices and packing list attached.
 5. The original of the export release permit is delivered to the stakeholder / agent, together with its attachments (copies of invoices and packing list) and the shipping permit.
- c) On arrival of the goods at the Customs zone gate, the stakeholder / agent shall submit the original of the export release permit, together with its attachments and the shipping permit, to the Export Movement Directorate.
- d) On arrival of the consignment at the Export Customs Office, the Customs outlet officer shall do the following:
1. If the export is performed from a land warehouse or from the production location, seals numbers, car numbers, and the shipping permit shall be reviewed, and all data and entry time shall be registered in the gate incident register. The shipment shall then be admitted into the shipping yard.
 2. In case of Final Export from the port, the Customs outlet officer registers cars numbers, package numbers, the shipping permit, and entry hour in the gate incident register. The consignment shall then be inspected and admitted into the examination yard.
- e) Procedures shall be completed in accordance with the instructions of the Risk Management Directorate. In the case of release through the green channel, the containers or packages shall be transferred to the examination yard to complete the shipping process. In case of release through the red channel, inspection and verification procedures shall be conducted by a committee of a movement officer and a tariff officer under the supervision of the head of Movement Section. If there is a detailed packing list identical in quantity and type with the exported goods, the committee shall sign the original and a copy of the release permit indicating the completion of inspection and verification. The shipment shall be transferred to the shipping yard.

At this stage, export cannot be rescinded and the shipment cannot be withdrawn from the shipping yard unless this is approved by the Export Customs director, and the Customs declaration is retrieved from the archive to be cancelled and closed through a receipt, attaching the original release permit, previously issued, along with the

photocopies previously obtained by the exporter, ensuring that none of the taxes or duties are refunded.

Article 99

After completion of the export and shipping process, the following procedures shall be followed:

- a) The shipping agency shall submit the export manifest together with the shipping permit stamped with ship seal for completion of shipping and export, and deliver the release permits to the relevant Movement Directorate, which shall, in turn, send them to the Export Section of the Export Customs Office.
- b) The Movement Directorate shall attach the copy of the release permit and entry cards received from the entry inlet to the original of the release permit, and send them to the Procedures Section of the Export Customs Office.
- c) The Procedures Section of the Export Customs Office shall conduct final inventory of the quantities exported by verifying the quantities entering through the point of entry, as per the release order copy, against the quantities shipped as per the original of the release permit and the quantities and types stated in the export declaration. In case of discrepancy, a memo is to be addressed to the Manager of the Export Customs Office to take the necessary action.
- d) The export entries shall be completed as follows:
 1. Customs entries shall be completed by incorporating the shipping permit number or the number of the export Customs office endorsement on of the release permit indicating completion of export in Register No. 46.
 2. The export declaration number shall be marked on the manifest,
- e) Completed declarations are sent on a daily basis to the Statistics Directorate, then to the Customs Declaration Filing Directorate.

Article 100

In case the stakeholder requests completion of export formalities outside ports, the following action shall be taken:

- a) The stakeholder/agent shall submit a request, ahead of the export date, to the Director of the Export Customs Office, within the geographical range of which the goods are located, to have inspection performed on site. In case of approval, the stakeholder shall complete a Customs export declaration to be registered in Register No. 46.
- b) The Export Customs Office Director shall form a committee comprised of a tariff officer and a movement officer under the supervision of the head of the

Movement Section, to go to the site of the goods, after due transportation fees are collected.

- c) The Customs committee shall check the numbers, ensure the accuracy of quantities by verifying items against invoices and packing lists, verify weight for items exported by weight, sign the export release permit confirming verification, place Customs seals on the exported goods, register seal numbers on the original and a copy of the export release permit, deliver the original of the export release permit to the stakeholder/ agent, and return the copy of the export release permit to the Movement Directorate.
- d) The consignment shall be dispatched, with a dispatch letter and the export release permit, with a Customs convoy or with the stakeholder/ agent to the Final Export Customs Office. On arrival of the consignment, the outlet officer reviews seal numbers and allows admittance into the shipping yard. A random sample may be opened, within the minimum limits, to ensure that the goods are intact. The other aforementioned export procedures shall be followed. The movement officer shall sign the dispatch letter for completion of arrival at the outlet and intactness of the goods.
- e) After completion of shipping, the original of the export release permit shall be stamped indicating completion of shipping. It shall be dispatched to the Customs office of dispatch to register its entries and take the necessary action to rebate taxes and duties, if so requested.

Under all conditions, the relevant export Customs office director shall ensure, prior to allowing completion of shipping, that the statistical form is delivered to GOEIC branch.

Article 101

Taking provisions of the previous article into consideration, goods previously imported may be re-exported, provided that they are verified against import documents to insure they are the same, in case a rebate is requested of taxes, duties or deposits equivalent to their value.

Article 102

Goods exported on a temporary basis shall be described in such a way as to enable verification on their being re-imported. Legal samples, catalogs or detailed data on goods shall be retained or distinctive marks placed, when necessary, whether import is conducted from the port of exportation or from another port.

Article 103

In case of making an analysis of certain substances to verify their type and specifications, the following should be observed:

- a) That the analysis of the goods is done at the specialized labs certified by a decree from the Minister of Finance and at the expense of stakeholders.
- b) That a tri-sample is taken from the items required for analysis, sealed by red sealing wax, and stamped with the state logo specified for Customs.
- c) That the first sample is sent to the lab, at the sector to which the release Customs office is affiliated, with serial numbers and escorted by a Customs representative, the second is handed in to the stakeholder and the third is kept at the Customs office for reference when necessary.
- d) That Customs duties and taxes are finally collected on the agreed-upon rate and the difference concerning the disagreed-upon rate is paid as a cash deposit or by an unconditional and irrevocable bank letter of guarantee.
- e) That the kind of analysis required should be specified.
- f) That the competent Customs has to notify stakeholders with the analysis result if different from what's mentioned at the Customs declaration and as soon as it arrives by means of a recommended letter or by approved electronic means.
- g) If stakeholders are to protest against the analysis result, they have to submit a request to the competent Customs, explaining the protest reasons, within a week after being notified of the result. Analysis is to be repeated at their expense at the indicated labs. The second analysis result is deemed final. In all cases, the analysis result will be valid for a year provided that the item is imported from the same manufacturer and the same country of origin of the previously analysed consignment and that it carries the same code number (article) and has the same specifications without prejudice to the Customs' right to ask for analysis when doubting that the contents are different from what is numbered and illustrated on the packages or in documents.
- h) That the retained legal samples are not disposed of except when the purpose of their retention ends. Stakeholders are notified to receive these samples. In case they don't come to receive them within a month after their notification, a statement of abandoned goods is issued and they are sent to the Abandoned Department to dispose of them according to the established rules.

Part Three

Special Customs Regimes

- **Chapter One: General Provisions**
- **Chapter Two: Passing Goods (Transit)**
- **Chapter Three: Warehouses, Free Shops and Free and Economic Zones**
 - **First: Warehouses**
 - **Second: Free Shops**
 - **Third: Free Zones and Economic Zones of a Special Nature**
- **Chapter Four: Temporary Admission**
- **Chapter Five: Temporary Release**
 - **First: General Provisions**
 - **Second: Vehicles Temporary Release**
- **Chapter Six: Customs Duties and Sales Tax rebate for Exported Goods Previously Imported by the Final Import system.**

Chapter One

General Provisions

Article (104)

Goods may be admitted to or transferred from one place to another within the republic while pending the payment of Customs taxes and other taxes and duties imposed on them if released according to any of the special Customs regimes (transit goods – temporary admission – warehouses – temporary release – free zones and specific economic zones) in return for any of the following guarantees:

- a) Cash insurance.
- b) Unconditional and irrevocable bank guarantee.
- c) Acceptable pledge from any of the government ministries or authorities, general authorities, or holding companies, provided that it is signed by the competent Minister, general authority head, agency head, holding company head or whom they authorize. The Customs Commissioner as well as Central Directorates' heads and General Directors are authorized to accept the pledge, each in his own competence.
- d) Insurance document (insurance policy) for all Customs regimes except temporary admission according to the form certified by the Customs and Tax Authorities and upon their request for the value of due tax. It becomes due for

the Authorities as soon as they submit a request regardless of the stakeholder's protest provided that this is mentioned in the document.

Article 105

To move national goods (prepared for export) from one port to another in the republic without passing by any foreign ports, it is a precondition to submit a declaration with the goods to the dispatch Customs to verify packages and put seals on them when necessary.

Upon the arrival of goods to their final destination, the stakeholder / agent should submit what indicates the arrival of goods after verifying their identity.

Article 106

Export or import rules and restrictions are not applied to foreign goods subjected to any special Customs regimes provided that they are not banned or rejected according to Egyptian laws or to international agreements of which Egypt is a signatory.

Chapter Two

Passing Goods (Transit)

Article 107

Foreign goods may pass across the republic to go out provided that they take the route immediately leading to the outlet and after submitting one of the Customs acceptable guarantees equal to the value of the Customs duty and all other taxes and duties without prejudice to the provisions of agreements to which Egypt is a signatory.

Article 108

Foreign goods on which Customs duty has not been paid may be transferred to the warehouses established outside ports, to the free zones, to the economic zones of a special nature, to dry ports, or to any other ports according to the Transit Regime after submitting one of the Customs approved guarantees. The value declared will only be for transit purposes whereas the final evaluation is carried out at the release Customs.

Article 109

For goods mentioned in the previous two articles, a Customs declaration setting out all their related information and specifications should be submitted at the dispatch port. Provisions related to inspection and applying Customs seals are also applicable to these goods.

Article 110

The stakeholder and the carrier are jointly responsible for the safety of goods until their arrival to their final destination.

Article 111

To move banned or prohibited goods or those rejected by any control authority for any reason whatsoever, a guarantee equal to the Customs duty and any other taxes and duties should be submitted and the transfer is done under police guarding.

Article 112

If the goods' final destination is a foreign country, the release of the pledge or the guarantee depends on submitting a certificate from the Customs of the country of destination confirming the delivery of goods. It is for the benefit of the Customs Authority to accept the arrival of the dispatch order counterfoil signed by the arrival Customs indicating the arrival of goods intact as a substitution for that certificate.

Article 113

Goods released under the Transit Regime are subject to the provisions of the Customs Law and this Regulation. The stakeholder, or his representative approved by Customs, should submit a specific Customs declaration for the transit Regime consignments. Customs has the right to totally examine the consignment, or to suffice with external inspection if the packages arrived intact with their seals and stamps on.

Article 114

The competent Customs officer applies the Customs stamps and secured seal under the supervision of the Examination and Inspection Committee, as well as making sure that goods have not been tampered with, that doors, sides and hinges are intact, and that there are no holes that may lead to pilferage to the cargo while observing the following:

- a) The Customs officer clearly marks the numbers of seals that have been applied on the dispatch order, the bill and the Customs declaration.
- b) In case of inability to put seals on the means of transportation, the whole consignment is inspected and the goods are accurately described.

- c) The arrival Customs has to make sure that seals are intact and their numbers are correct and, if a pilferage is detected, an overall inventory is carried out.
- d) Upon issuing the seals breaking report, the type of seal put on the containers should be verified besides indicating that:
 - The supplier's seal is outside.
 - The Stakeholder's seal, if shipping from outside the country, has been applied with his knowledge.
 - The insurance seal.
 - The company's or the Shipping Agency's seal.

Article 115

Indirect transit procedures are as follows:

- a) The stakeholder or as stakeholder should submit a Customs declaration to the Customs office or branch to which foreign goods have arrived so as to start implementing their movement procedures to their final destination. The following should be attached to the declaration:
 - Invoices.
 - Packing list.
 - Bill of lading.
 - Maritime Delivery Order.
 - The original and two copies of the dispatch order or the automated form.
 - A Customs acceptable guarantee for Customs taxes and duties and any other taxes and duties.
- b) The dispatch Customs inputs the Customs declarations to the computer, examines the documents, defines the release channel, and takes the following procedures:
- c) In case of green channel release, documents are reviewed, guarantees submission and the approval of control authorities, if any, are confirmed, in addition to inspection and identification to verify the items and quantities in case of red channel release.
- d) Consignments imported according to the Transit Regime and transferred to the public or private warehouses, free zones and economic zones of a special nature, and dry ports, or those which transit the country are released through the green channel provided that containers' seals are safeguarded and that packages are externally

intact when inspected by an X-Ray scanner, according to the Risk Management Department.

- e) Guarantees are sent daily to the Customs accounts to be recorded in a specific automated register. Declarations' files are sent to the Declarations Archiving Department.
- f) The Head of the Tariff Section signs the dispatch order's original and a photocopy after carrying out the Customs procedures. The difference between the contents and the submitted documents, if any, is identified on the dispatch order while observing the value of submitted guarantees and collecting the fine, if any.
- g) The Movement Department applies Customs seals and writes their numbers on the dispatch order.
- h) The file is forwarded to the Accounts Department to determine the value of the Customs seals and others, stamp the dispatch order and its photocopy, the invoice, and the packing list with the Customs seal.
- i) The stakeholder is notified to pay due royalties and guarantees.
- j) A Customs escorting representative is appointed upon the request of the stakeholder or if necessary.
- k) The stakeholder / agent is handed the original dispatch order or the automated form and its attachments.
- l) The dispatch order's photocopy, or the automated form, attached to a true copy of the invoice and the packing list, is sent to the discharge gate while the second photocopy is kept in the declaration file.
- m) The consignment data are electronically inputted (or recorded in a register) including its declarations, the escorting officer, if any, and the discharge date.
- n) The consignment released under the Transit Regime is followed up and notification made to the Customs security if there is a delay in its arrival, to investigate the reasons of such delay and to take legal procedures to guarantee the Authority's rights.

Discharge Gate Procedures:

- a) The stakeholder / agent submits the original dispatch order to the discharge gate officer who recalls the Customs declaration by computer to check that the data in the dispatch order is accurate, the seals and packages are intact, and the original and photocopy of the dispatch order are identical.

- b) Dispatch orders, discharge date, consignment escorting officers' names – Customs and police officers, if any – means of transportation number, containers' numbers, and the driver's licence are registered in the automated or manual exit log-book.
- c) Exit is allowed after checking the intactness of seals and packages, the numbers of containers and Customs seals and the packages brand without inspecting their contents.
- d) Photocopies of dispatch orders and delivery notes are returned to the competent Customs that forwards them in turn to the Declarations Archiving Department to be kept in their Customs declaration files.

The following procedures are adopted at the destination (arrival) Customs:

- a) The stakeholder / agent submits the original dispatch order to the entry gate officer where the following is carried out:
 - b) Checking the safeguard of seals and packages.
 - c) Checking the numbers of Customs seals as well as packages brand.
 - d) Registering the time and date of arrival and containers' numbers in the gate's automated or manual log-book.
- e) The entry gate officer signs the original dispatch order to the effect of allowing entry and indicating the seals' intactness.
- f) In case seals and packages are intact, the competent movement officer signs the dispatch order's counterfoil to this effect, e-mails the dispatch Customs, and sends the original dispatch order to the destination Customs manifest for recording.
- g) The destination Customs manifest sends the original dispatch order to the dispatch Customs and it can also be sent by facsimile, by any electronic means, or by the quick mail upon the request of the stakeholder and at his expense.
- h) In case the seals of containers and tankers are damaged or packages arrive with their outer appearance tampered with, a detailed inventory of the consignment is to be carried out by an inventory form to be attached to the original dispatch order and sent to the destination Customs manifest that records the actual imported items and then sends it to the dispatch Customs.

Customs formalities are to be completed on goods as soon as they arrive according to the adopted procedures.

Guarantees for indirect transit can be kept, registered, and drawn back according to the following:

- a) Guarantees are kept at the accounts of the dispatch Customs and then submitted, by the end of the day, to the Customs accounts.
- b) The dispatch Customs accounts records these guarantees in a specific register or by computer, reviews and follows them up.
- c) When the dispatch order counterfoil arrives from the destination Customs to the complex by whichever means, the complex, in case the consignment is delivered with no remarks, notifies the Customs accounts to refund the guarantee.
- d) In case there are any remarks, the dispatch Customs demands the Customs declaration file and checks the commodities and quantities mentioned in it against those mentioned in the inventory form prepared by the destination Customs. In case there is shortage / overage, or any other remarks, the matter is referred to the legal affairs to regulate the act and collect Customs accrued fees before the guarantee drawback.

Article 116

Direct transit follows the following procedures:

- a) The Shipping Company or Agency submits two photocopies of the duplicate of the manifest of these goods to the Central Manifest for reviewing, verifying them against the original of the main manifest and checking their admission as Direct Transit
- b) The Central Manifest Department sends a photocopy of the duplicate to the competent Movement Department, to which the means of transportation is affiliated, which in turn registers it until the shipping agency submits the shipping order to reship the consignment.
- c) Reshipment is carried out under Customs supervision after the collection of royalties and duties due for working beyond the official working hours.
- d) When shipment is completed, the duplicate's photocopy is stamped, the Movement Department register's data are filled in, and a photocopy is sent to the Central Manifest for registration.

Chapter Three Warehouses, Free Shops, Free Zones and Economic Zones of a Special Nature

First: Warehouses

Article (117)

To give a licence for the activity of storing goods at warehouses, it is a prerequisite to present guarantees that cover all the commitments of the warehouse owner stipulated by the Customs Law and the provisions of this regulation. These guarantees are determined as follows:

- a) Warehouses established inside ports:
 - Submitting a cash deposit, or a bank letter of guarantee, that covers 5% of Customs duties and other taxes estimated for the expected average storing capacity of the warehouse determined by its owner, or the monthly average of Customs duties and other taxes collected for the previous year, upon renewing.
 - Submitting an insurance bond that covers the rest of the warehouse owner's other commitments.
- b) Warehouses established outside ports:
 - Submitting a cash deposit, or a bank letter of guarantee, that covers 10% of Customs duties and other taxes estimated for the expected average storing capacity of the warehouse determined by its owner, or the monthly average of Customs duties and other taxes collected for the previous year, upon renewing.
 - Submitting an insurance bond that covers the rest of the warehouse owner's other commitments.

The Customs Commissioner, Heads of Customs Sectors, and Heads of General Directorates in charge of the warehouses licensed for any governmental agencies, general authorities or their companies, or Public Enterprises Sector companies, may accept a clearly stated pledge from the competent Minister, Head of General Authority, or head of the Holding Company instead of the guarantee stipulated in heading (2) of items (a) and (b) of the preceding heading.

Article 118

The procedures of establishing a warehouse are as follows:

- a) The warehouse owner should apply to the competent head of the Central Directorate in order to get the license of establishing the warehouse so that there shall be an examination to specify the necessary requirements, of which the warehouse owner is notified to fulfill.

- b) The license of establishing the warehouse is issued by the competent head of the Central Directorate after fulfilling all the determined requirements. The license should indicate the type of the warehouse, its place, annual return to be paid, number of the working shifts, the type of goods to be stored, and its work system. should be signed by the warehouse owner in order to abide by the mentioned commitments. It should be made of one original and two photocopies, of which the original is to be kept in the competent legal department. One photocopy is to be kept in the competent financial department and the other is to be submitted to the stakeholder.
- c) A decision is issued by the Customs Commissioner to consider the warehouse a Customs zone.

Article 119

Upon establishing the warehouse, its owner has to automatically link it to the Customs Authority. Established warehouses have to settle their conditions within a maximum of one year as of the enforcement of this Regulation otherwise the Customs may withdraw the license.

Article 120

The warehouse owner licensed for the storing activity is committed to pay the governmental fees to the Customs Authority as follows:

- a) A Public Warehouse:
 - 15% of the warehouse total returns during the year provided that it is not less than LE 10,000 and not more than LE 50,000 per year.
- b) A Private Warehouse:
 - 1% of the value of taxes due on stored goods during the year (as for tobacco and its products and alcoholic liquors, 1% of their value is paid) provided that it is not less than LE 5,000 and not more than LE 100.000 per year.

Article 121

The warehouse owner has to take the necessary precautions for the safety of the warehouse and the goods stored in it besides securing it totally and providing it particularly with the substances, tools and equipments necessary for fire extinguishing as well as the pre-theft or pre-fire alarm equipments.

He should also prepare the necessary rooms for the employees' desks and furnish them with proper furniture and means of communication in addition to providing the means of transportation, the yards and required equipments for goods inspection.

Article 122

By a license from the Customs and the warehouse approval, goods imported according to the Storing Regime may be transported upon the request of the stakeholder or his representative. No goods can be stored or discharged out of the warehouse except by a license from the Customs.

Article 123

The period for storing goods at warehouses established outside the ports should not exceed 6 months, but may be extended for another 3 months upon the approval of the Customs Commissioner or the competent Sector Head. except for imported vehicles stored at public warehouses or on quays, whose storage period is only one month provided that the stakeholder or authority utilizing the warehouse is notified by a letter with acknowledgement of receipt so as to apply for releasing his car after fulfilling the import requirements and paying the Customs dues within a period of 15 days only. If the stakeholder, or his representative, has not applied for taking the procedures of re-exporting or releasing the car during this period, it is forwarded to the yard assigned for displaying abandoned goods so as to advertise its sale in coordination with the General Authority for Governmental Services to sell it according to established rules. Tobacco may be stored in specialized warehouses for a period not more than a year as of the storage date since arrival.

Article 124

Customs taxes and other taxes and duties due on goods stored at the warehouse are collected upon release. Release of goods may be partial, but for a maximum of three times, in accordance with the procedures adopted in case of dividing the bill, while taking into consideration that release cannot be carried out by a single declaration for goods stored at two different warehouses.

Article 125

Goods submitted to be stored at the warehouse may be examined to verify them then transported to it according to the Customs procedures applied in the case of transit goods. The competent Customs Director has the authority to allow the immediate

unloading of goods inside the warehouse, if necessary, and the transportation of containers with intact seals in their current state to the warehouse.

Article 126

The warehouse owner must keep special logbooks to register the entry and exit of stored goods and to put the related registers and documents at the disposal of Customs upon demand. He should also provide to Customs all information he is asked for. The Customs is entitled to make an inventory of the stored goods at any time if there is a necessity.

Article 127

A license should be obtained from the Customs before carrying out the following processes at a public warehouse.

- Mixing foreign products with other foreign or local ones only for the purpose of re-exportation. In this case, it is conditioned that special marks are put on the covers and a separate place is specified for them.
- Uncovering, moving from one container to another, consolidation or deconsolidation of packages and carrying out all the processes aiming at maintaining the products, improving their appearance or facilitating their disposal.

In all cases, there should not be any change in the Customs tariff rate as a consequence.

Local materials required for these processes are to be subject to the procedures applied to goods prepared for exportation whereas the imported foreign tools required for such processes are to be subject the procedures applied to imported goods.

Article 128

The competent Customs authority may give a written permission in urgent cases to carry out the processes mentioned in the previous article beyond office hours in return for extra charges paid by the warehouse owner.

Article 129

No one should enter the warehouse, except for its employees and workers, Customs officials and workers as well as officials and workers of other authorities whose work requires examining goods at the warehouse; however, the warehouse owner may, with

the permission of Customs, allow others to examine stored goods and to take samples after paying the Customs tax and other taxes and duties due on those samples.

Article 130

Goods required for the supplying of ships and the needed food, beverages and cigarettes may be stored in the ship-supplying warehouses and in the transit warehouses located inside the ports as long as they are valid for use and consumption. In case of expiration, they will be re-exported or destroyed under the supervision of the Customs at the warehouse owner's expense provided that they are withdrawn according to the applied Customs procedures.

Article 131

The authority using the warehouse is held responsible for the shortage, damage or loss of stored goods, except for damage and loss resulting from a fatal accident, force majeure or natural causes such as evaporation, leakage or dryness.

The Customs Authority may, in case the warehouse owner or the authority utilizing it committed a tax evasion crime or took part in it, cancel the license issued for the warehouse after notifying the warehouse owner.

Article 132

All means of access to the warehouse are to be locked with two different keys, one remains within the Customs. The warehouse is opened and closed with the acknowledgment of the Customs representative and the warehouse owner or his representative during Customs official working hours.

Article 133

Establishing warehouses for storing cars that are released temporarily with the TRIPTIC Books may be licensed in accordance with the conditions of establishing warehouses, the warehouse owner's commitments, and according to the following:

- a) The warehouse owner should submit an unconditional bank letter of guarantee of no less than 500,000 Egyptian pounds as a guarantee for a part of the Customs taxes and duties and other taxes and duties payable on stored vehicles. He should also submit an insurance bond that secures 20% of the Customs duty and other taxes and duties payable on these vehicles for the interest of Customs in case of risks of loss, complete or partial damage of stored vehicles, and no less than 500,000 Egyptian pounds.

- b) The warehouse owner should pay any dues resulting from violating the Release Regime during the storage period.
- c) The vehicles may only be stored in the warehouse after removing all the violations of the Temporary Release Regime, paying the service charges and the taxes on the shortages.
- d) The warehouse owner must comply with car storage periods in accordance with the rules of Temporary Release provided herein.
- e) The warehouse owner should notify the release Customs and the General Directorate for Temporary Release immediately upon storing the vehicles.

Article 134

The Customs may, after the end of the storage period, sell the goods stored at the public warehouse if their stakeholders did not re-export them or pay the due Customs taxes and other duties. The sale shall occur after one month as of the date of warning the warehouse owner who should, in turn, notify the goods owner or his representative. The sale returns shall be deposited - after deducting all the duties, taxes and expenses - in a deposit account at the Customs in order to be delivered to stakeholders; and the right of claim shall lapse after 3 years from the selling date.

The warehouse owners should submit a detailed statement of the packages, of which the legal period of storage at the warehouse has expired, including (the bill number, the road number, weight, number, content, and the name of the stakeholder) attached to a photocopy of the notifications to stakeholders and photocopies of the original bills.

The competent Customs is to observe the legal grace periods of the abandoned goods, and the goods validity as of the date of storage. The competent Customs (the import Customs) is to examine the packages in the presence of the warehouse representative, and the packages are to be packed and sealed with a Customs seal.

The Customs Sales Department is notified in order to receive the packages; and in case there is no space, the packages are delivered to the company store-keeper after being kept in the warehouse stores; and they should be under the warehouse keeper's responsibility until they are sold according to the applicable rules in this context.

Article 135

Customs procedures of transportation and storage at public and private warehouses are as follows:

- a) The stakeholder submits a storage request of an original copy and three photocopies with a serial number specific for each warehouse, stating the complete data of the consignment and the value of due taxes and duties. It should indicate the approval of the warehouse on transporting the consignment and covering the due taxes and duties during transportation. It should also indicate the approval of the warehousing Control, or the warehouse supervising entity at the Customs Sector, to which the warehouse is affiliated, taking into consideration that a single bill may not be divided, and should be transported as a whole to one warehouse. A photocopy of the invoices and the packing list should be attached to the storage request.
- b) The warehouse-keeper and the yard-keeper or the Endorsement Office shall sign an acknowledgment of receipt.
- c) The storage request is submitted to the Central Manifest to fulfill the following:
 1. Review and verify against the original manifest, and placing a specific serial number.
 2. Recording the data of the storage request in a specific book or on computer with serial numbers for each warehouse.
 3. Signing for acknowledging revision and recording, and to assure that there was no previous Customs declaration for the content of the storage request.
 4. Keeping the original copy of the storage request, signing the three photocopies with the serial number, stamping it with the department stamp, approving the transportation and distributing the three photocopies as follows:
- d) A photocopy to the Discharge Gate, through which the consignment will be discharged - provided that it is kept at the gate after the discharge, and sent to the Movement Department, from which it has been transported -along with the discharge cards.
- e) A photocopy to the warehouse where the contents of the storage request will be sent. It will be sent to distant warehouses by fax or by any electronic means.
- f) A photocopy to the stakeholder to be attached to the documents submitted to the competent Tariff Director.
- g) The stakeholder submits the storage request along with photocopies of the invoices and package description to the competent Tariff Director where the Customs procedures followed under the Transit Regime can take place.

- h) Goods stored at the warehouse will undergo a partial inventory every three months by the Customs committee, and will be verified against stocks registered the specific ledgers of Customs and warehouses. An annual overall inventory is carried out and the Warehouse Control Directorate, to which the warehouse is affiliated, is notified in order to consider the presented guarantees and to take the necessary legal procedures against shortage and overage.
- i) Committees of on the spot sudden inventory are formed periodically with the acknowledgment of the Head of the Sector to which the warehouse is affiliated. The committees will include representatives of the Legal Affairs and the Customs Anti-Smuggling departments. This committee reviews the books of both the general warehouse ledger and each specific shipment ledger and makes a warrant indicating the shortage or surplus, if any, to be submitted to the competent General Director.

Second: Free Shops

Article 136

The Customs Authority can grant licenses according to the Free Shops Regime within the ports to store local or foreign goods upon which Customs taxes and duties as well as other taxes and duties have not been paid, so as to display them for sale, after warehouses guarantees have been submitted. In this case, all warehouse related provisions are applied.

Article 137

The period of storing foreign goods at the warehouses of free shops should not exceed their validity for use or consumption. If they are expired, they are re-exported or destroyed under Customs supervision at the expense of the authority utilizing the free shop. Within the warehouses of the free shop, marks indicating Customs duty exemption (banderole) may be modified under Customs supervision.

Article 138

The Customs duty payable on the goods stored at the free shop is estimated on the basis of their value and exchange rate on the date of registering the Customs declaration as well as the valid Customs duty rate on the date of their disposal by selling or releasing. Taxes are collected on that basis. Release of cigarettes, cigar,

tobacco and alcoholic liquors that are sold to authorities or persons exempted from duties by law is restricted if the banderole stamp, or the mark indicating their duty exemption, is not stuck on them.

Third: Free Zones and Economic Zones of a Special Nature

Article 139

Provisions of the Law of Investment Guarantees and Incentives issued in Law no. 8 for the year 1997 and its Executive Regulation issued by the Prime Minister's Decree no. 1247 for the year 2004 are applied to the free zones and the procedures carried out on their specific goods.

Provisions of the Law of the Economic Zones of a Special Nature issued in Law no. 83 for the year 2002 and its Executive Regulation issued by the Prime Minister's decree no. 1625 for the year 2002 and its enforcement laws are applied to the economic zones of a special nature and their goods.

Chapter Four Temporary Admission

Article 140

Provisions of the Prime Minister's decree no. 1635 for the year 2002 and its amendments are applied to Temporary Admission and rules of disposing of goods imported according to that Regime in purposes different from those they have been imported for.

Chapter Five Temporary Release

First: General Provisions

Article 141

Goods may be temporarily released while pending the payment of due Customs duties and taxes and other taxes and duties against any of the Customs acceptable guarantees until re-exporting or settling their Customs condition according to the following preconditions and circumstances:

- a) Tools, equipment, devices and their accessories, imported for governmental agencies ministries and general authorities, or their equivalents which are

imported to for the use of construction or economic projects then re-exported. They may be re-used in other similar projects while applying the same rules and preconditions.

- b) Tools, equipment, and devices imported to be used in projects inside the country then re-exported while observing the provisions of article (8) of Customs Exemptions Regulation Law referred to.
- c) Goods imported for any of the international shows, festivals, or markets; theatres, sport occasions or similar occasions after submitting the approval of the competent authority.
- d) Tools, equipment, devices and supplies required to carry out scientific, industrial, or agricultural experiments or tests, approved of by the competent authority.
- e) Empty containers and covers imported to be loaded, loaded containers and packages imported to be re-exported either empty or full as well as the containers that enter the country to be unloaded and then re-exported.
- f) Substances and items specific for agricultural crops such as empty containers, packaging and covering materials and their parts, antiseptics, waxes, treatment chemical substances, agricultural pesticides, bitmos, and growth inhibitors.
- g) Photographing devices and equipment, films and tapes of foreign journalists, photographers, correspondents, and news and radio agencies for the purpose of recording or transmitting news items or for cinematic shooting.
- h) Professional items coming with foreigners arriving to the country which are used in their professions after submitting the approval of the competent authority.
- i) Personal inconsumable belongings of each of:
 - Influential people.
 - Political refugees.
 - Members of diplomatic and consular corpses.
 - Egyptians seconded abroad who come to spend their vacations or to do a temporary work in the country.
 - Foreign students coming for studying.
 - Foreign emigrants (hajij) who cross the territories of the republic to the sacred lands.
 - Experts licensed to work in the country.
- j) Commodities imported with tourists and transit passengers over the exemption limits.

- k) Goods imported for natural or artificial persons who enjoy Customs exemptions and whose specific documents required for exemptions have not arrived until a decree is issued to exempt them.
- l) Other commodities for which a Finance Minister's decree is issued.

Article 142

To release the commodities mentioned in the preceding heading, the following prerequisites are required:

- a) Submitting any of the guarantees mentioned in this Regulation equal to the value of due Customs duties and any other taxes and duties until settling their condition or the end of the purpose for which they have been released.
- b) That these items are re-exported within a year as of their releasing date whereas the items and substances specified for the agricultural crops are re-exported within two years of their releasing date. These periods may be extended to similar periods for justified reasons approved of by the Customs Commissioner.

Article 143

Goods imported for Governmental Agencies, Ministries, General Authorities, and Public Sector Companies are temporarily released provided that documents are fulfilled as follows:

- a) Submitting a letter from the National Investment Bank indicating that the bank is keeping the amount of Customs duties and taxes as well as other due taxes and duties aside for the interest of the Customs Authority.
- b) In case of the insufficiency of the funds specified for the agency, a letter from the Ministry of Planning is submitted to indicate carrying out the necessary procedures to increase the required funds in addition to the approval of the National Investment Bank to add them to the account of the Customs Authority as soon as they are increased.

Article 144

In case there is no re-exportation, the Customs duties and taxes as well as other duties and taxes determined upon release become due immediately after the periods stipulated in this chapter come to an end.

Second: Temporary Release of Automobiles and Yachts and Determination of the return for Pending the Payment of Customs Duties and Fees

Article 145

While observing the conditions and criteria regulating the Temporary Release Regime, automobiles and yachts mentioned in the following headings may be temporarily released in accordance with the conditions and guarantees mentioned in the headings without prejudice to the international agreements of which Egypt is a signatory.

Article 146

Automobiles owned by Egyptians living abroad, foreigners, tourists, and transit travellers coming to spend a temporary period in the country are temporarily released for a maximum of six months during the year provided that this period does not exceed the period of stay confirmed in the passport for foreigners after paying the returns due for pending the payment of duties for six months or a part of them as follows:

- LE 500 for the car for the first three months or a part of them.
- LE 1000 for the next three months or a part of them.
- LE 100 for vehicles imported with tourist groups and the period should not exceed one month.

Article 147

Automobiles owned by the following groups are temporarily released according to the provisions related to each group after paying the fee for deferral of the payment of duty as stipulated in the following table:

- a. Foreign investors within the period of their temporary stay as confirmed in their passports, up to a maximum of three years.
- b. Foreign experts and professors who are sent for by governmental Authorities and similar institutions (including universities and schools) or experts of foreign companies having contracts with these Authorities to carry out a temporary work within the country.
- c. Influential foreigners, upon a recommendation from the Egyptian Ministry of Foreign Affairs.
- d. Foreign aviation companies that run regular airlines to and from and across Egyptian territories, according to the reciprocity principle based on a letter from the Ministry of Civil Aviation.
- e. The release period for items indicated in headings (b), (c) and (d) should conform to the purpose for which they were temporarily released.

Type of car	The 1 st six months or part thereof	The 2 nd six months or part thereof	The 3 rd six months or part thereof	The 4 th six months or part thereof	The 5 th six months or part thereof	The 6 th six months or part thereof
Cars up to 1600 cc.	LE 500	LE 1000	LE 1500	LE 2000	LE 2500	LE 3000
Cars more than 1600 cc and not more than 2000 cc.	LE 1000	LE 2000	LE 3000	LE 4000	LE 5000	LE 6000
Cars more than 2000 cc.	LE 3000	LE 6000	LE 9000	LE 12000	LE 15000	LE 18000

Foreign aviation companies referred to in item (d) of this heading should pay the amount indicated in the previous table, or an amount determined according to the reciprocity principle, whichever is less.

For groups referred to in items (b, c and d), if the period of temporary release exceeds three years, the last rate indicated in the aforementioned table is paid for every three months or part thereof.

Article 148

Temporary release is permitted for the cars of the following persons:

- a) Political refugees, foreign journalists, correspondents, and news agencies representatives.
- b) Foreign students and trainees coming to study and train provided that the car is not more than 1600 cc. If the cc. is more than that, the fee for deferring the payment of the duty is doubled.
- c) Petroleum and minerals exploration companies and their foreign experts.

The period should be appropriate to the purpose of release. It may be extended for students' automobiles during the summer vacation by doubling the fee for deferring duty payment according to the cc.

Fees for deferral of the Customs duty payment, for every six months or part thereof, will be as follows:

- LE 500 for cars not more than 1600 cc engine displacement.
- LE 1500 for cars ranging from 1600 and 2000 cc engine displacement.
- LE 3000 for cars more than 2000 cc engine displacement.

Fees for deferral of the Customs duty payment for the automobiles of petroleum and minerals exploration companies and their foreign experts amount to LE 400 for every six months or part thereof.

Article 149

Automobiles imported for the official use of foreign embassies and consulates or for international organizations are temporary released as follows:

- a) Automobiles imported for the official use by foreign embassies and consulates or for members of foreign diplomatic and consular corpses that exceed the exemption limit decided by Customs Exemptions Regulation Law as well as automobiles imported for foreign administrative employees at foreign embassies and consulates.
- b) Automobiles imported for official use by international and regional Arab organizations and their members who hold diplomatic passports or an ID issued by the Ministry of Foreign Affairs Protocol Department.

The time limit of the temporary release is as determined by the Ministry of Foreign Affairs in accordance with the Customs Authority.

Fees for deferral of the duty payment are paid according to the principle of reciprocity for item (a) and LE 200 for every six months or a part of them for item (b). The same applies to item (a) where not exempted according to the principle of reciprocity.

Article 150

Automobiles imported for commercial show or for testing are temporary released according to the following:

- a) Private automobiles imported for commercial show and are not more than four cars of different models for agents of foreign car factories.
- b) Two private vehicles, of two different models, imported for car manufacturing factories, for testing purposes, with the approval of the competent authority at the Ministry of Commerce and Industry.

The period of release for these cars is six months, subject to extension for a similar period upon the approval of the Customs Commissioner. They cannot be licensed at the Traffic Department.

Fees for deferral of the duty payment for these cars are as follows:

- LE 2500 for the first six months or part thereof.
- LE 5000 for the next six months or part thereof, along with submission of an unconditional bank letter of guarantee, confirmed and irrevocable, that covers the accrued Customs duties and taxes, the general sales tax, and any other taxes applicable to the released automobiles.

Article 151

Trucks, trailers and refrigerator vehicles may be released for two weeks, subject to extension for a similar period, when necessary, by a decree from the Customs Commissioner or whomever he authorizes.

Fees for deferral of the duty payment are as follows:

- LE 100 for each week of the first and second weeks or part thereof.
- LE 500 for each week of the third and fourth weeks or part thereof.

In the event that any of the aforementioned vehicles are required to stay within the country for temporary work or renting, the provisions of article (8) of the aforementioned Customs Exemptions Regulation Law issued in Law 186 for the year 1986 are applicable.

Article 152

Pick-up trucks with a double cabin and minibuses with more than nine seats apart from the driver's seat may be released for one month, subject to extension for a similar period, when necessary, by a decree from the Customs Commissioner or whomever he authorizes.

Fees for deferral of the duty payment are LE 500 for the first month or part thereof and LE 1000 for the second month or part thereof.

Article 153

The yachts of Egyptians living abroad, tourists, transit travellers, and influential people coming for a temporary stay in the country may be temporarily released within the period of stay only and within 12 months at most.

Fees for deferral of the duty payment for the tourist ports defined by Presidential Decree no. 141 for the year 2003 are paid according to the Minister of Transport's

Decree no. 539 for the year 2003. The Customs Authority collects the same amounts at the rest of the republic ports and they are distributed according to the same rates stipulated in the aforementioned decree.

Article 154

Tools and equipment including transport equipment, devices and vehicles of foreigners coming to the country and required for international and local races under the supervision of the General Authority for the Promotion of Tourism are released for a month, subject to extension for a similar period by the approval of the Customs Commissioner for justified reasons.

Fees for deferral of the duty payment are LE 100 for each vehicle for each month or part thereof.

Article 155

In all cases, at most on the day following the end of the time limit of the temporary release the car or yacht should be placed within a specific Customs zone or a marina for yachts. Temporary release for them is not allowed except after a period similar to its previous stay within the country, up to a maximum of 4 months for yachts. The storage period within a Customs sector or a marina is considered as re-exportation.

Article 156

Private automobiles and yachts are temporarily released pending the payment of Customs duties and any other taxes and fees in return for submitting any of the Customs acceptable guarantees or a traffic book, issued by one of the Customs certified automobile clubs, or an international car and driving license (for foreigners coming with tourist groups).

As regards yachts that come to ports for regional tourism, it is enough that the yacht's owner, or the person in charge, submits a personal pledge provided that the Ports Security Authority is notified when the yacht is released. As for those who wish to undertake internal tourism (on the Nile), submitting a letter of guarantee or a pledge by the Tourism Promotion Authority is a prerequisite to release of the yacht.

Article 157

Temporary release for automobiles and yachts mentioned in the previous articles is subject to the following conditions:

- a. Temporary release is for one automobile or yacht for every physical person; however, releasing more than one automobile or yacht is possible for influential persons or legal entities provided that they are licensed. In case they are not licensed, an unconditional bank letter of guarantee, confirmed and irrevocable, or a traffic book issued by one of the clubs, which have deposited cash or bank guarantees equal to all due taxes and fees at the Customs Authority, is to be submitted.
- b. Foreign investors' automobiles are released after submitting the Investment Authority record and the passport where the temporary stay visa is found.
- c. Usage of a temporarily released automobile or yacht is limited to the purposes they were released for. They should be driven by the person for whom they were released except in the case of foreign influential people or handicapped persons whose circumstances require employing a driver, or if there were any special cases requiring a driver where approved by the Customs Commissioner or whomever he authorizes.
- d. The automobile or yacht cannot be exploited by sale, concession, and lease or by being given as a gift except after the approval of the Customs Authority, fulfilment of import rules and payment of all due taxes and duties.

Upon the approval of the Minister of Finance, the period of temporary release may be extended for the above-mentioned cars and yachts for justified reasons he accepts.

Fees for the deferral of duty payment are doubled if the traffic license has expired and the guarantee is still valid.

He who holds the temporary release permit (the international traffic book) should re-export the vehicle within a maximum of 24 days as of the expiry date of the traffic license inside the country in accordance with article (20) of the Motor Vehicles International Agreement provided that the guarantee is valid.

In the event that the provisions stipulated in this Regulation are violated, penalties stipulated in the Customs Law are applied.

Article 158

To accept concession of temporarily released cars, the following are prerequisites:

- a. That the car is not an object of a Customs evasion crime.
- b. That it is clear of any fines, indemnities, fees for the deferral of duty, and payment of taxes and duties on missing or replaced parts.

Customs Executive Sector Heads are authorized, in their areas of jurisdiction, to accept concession of cars.

Article 159

Customs procedures for imports under the Temporary Release Regime are carried out according to the following procedures:

- a) The stakeholder or his representative should enter the Customs declaration data into the computer through any of the electronic links with the Customs Authority.
- b) The following preliminary procedures are taken at the Suspension Directorate:
 1. An application is submitted by the stakeholder or his representative to the Suspension Department clarifying the reason for temporary release, its legal foundation, and the release duration required for the car or yacht inside the country.
 2. The Suspension Directorate examines the application and prepares the project of temporary release according to the regulations stated on the stake holder's application, and then it is stamped with the department stamp.
- c) The documents required for the release are:
 1. The automated Customs declaration for the Temporary Release Regime.
 2. Imported items description list.
 3. Maritime Delivery Order.
 4. Invoice of imported items.
- d) Procedures at Customs Complexes:
 1. Customs procedures are carried out taking into consideration that items temporarily released don't go through the green channel as there is a necessity to inspect and identify them to make sure of identity before release and to estimate the value of due taxes and duties.
 2. The necessary guarantees are collected and the original release permit attached to a true copy of the invoice and the packing list is delivered to the stakeholder. A photocopy of the release permit is sent to the Discharge Gate attached to a true copy of the invoice and packing list.
 3. The Procedures Department at the competent Customs sends the data of temporarily released Customs declarations daily to the Suspension Directorate attached to the temporarily released Customs declarations.

- e) Follow up at Temporary Release Directorate (Suspension): After the arrival of the temporarily released declarations at the Suspension Department, the following procedures are taken:
1. Recording the data, electronically or manually, in a record indicating the declaration number, the reason for temporary release, value of taxes and duties, type of submitted guarantee, and the temporary release period.
 2. Issuance of reports periodically indicating the status of declarations for which the release period has expired, to follow up and finalize.

Article 160

Yachts are temporarily released according to the following procedures:

- a) The yacht owner or his representative, or a tourist delegate, should submit the original and photocopy of the form designated for this purpose to the Arrival Customs indicating the basic data (data sheets of the crew and passengers, receipt of payment of returns for pending duty, and a list of any goods inside the yacht, i.e. wine, cigarettes...).
- b) In case of regional tourism, the person in charge of the yacht or his representative should submit a personal pledge to pay the Customs duties and any other taxes and duties in case the yacht stayed anchored in the territorial waters after the end of the determined temporary release period. In this case, the Customs should notify the Ports Security Authority upon the temporary release of the yacht.
- c) As for Nile tourism seekers, a guarantee letter or a pledge from Tourism Promotion Authority to pay due Customs duties and taxes on the yacht in case it remained anchored in the territorial waters during the allowed temporary release period should be submitted.
- d) The Customs Committee carries out an inspection, evaluates due duties and taxes, indicates them on the designated Customs form, and determines the temporary release period.
- e) The original form and attachments, with the temporary release approval indicated on them, are submitted; whereas the photocopies of the form and the attachments are kept at the Release Customs. The Customs form is considered a Customs valid temporary release that can be used in other Egyptian ports to which the yacht may frequently go during its release period.
- f) In case the person in charge of the yacht was willing to renew the temporary release period, he should submit an application indicating the desired period and route and attach to it the receipt for payment of duty pending returns. The

Customs Committee signs to the effect of renewal in the designated place on the Customs form. The person in charge of the yacht may apply for the temporary release renewal at any port where a Customs Committee is available provided that the Committee that approves the renewal notifies the Customs Committee that made the procedures of the first temporary release.

- g) The person in charge of the yacht may end the temporary release at the Customs of any Egyptian port other than the port which made the procedures provided that has a Customs Committee by withdrawing the Customs form of the temporary release. The Customs Committee that made the procedures of the temporary release for the first time is notified in order to finalize registering the rest of the relevant data at their specific ledgers.
- h) The Customs form is the only license for frequenting the Egyptian ports indicated in the planned route during the validity of the temporary release period.
- i) The Customs Committee that released them, provided that the rest of the relevant data are registered at their specific ledgers during the temporary release period, observes the temporarily released yachts.

Article 161

Customs procedures for exports under the Temporary Release Regime are as follows:

- a) After completing the re-exportation of consignments previously released under the Temporary Release Regime, the Export Customs gets the import declaration previously released by this Regime for purposes of identification by sending the original import declaration if the exportation was made from the Release Customs, or a true copy of it if the exportation was made from any other Customs to the Temporary Release (Suspension) Follow-up Unit at the competent sector.
- b) The Suspension Directorate should verify the released items against the exported ones. After making sure they are identical and there are no remarks, a settlement memo is issued and the Import/Export Declaration is signed to the effect of verification and conformity, and then the procedures of guarantee rebate are made.
- c) Customs Declarations are sent to the Audit Department then to Declarations Archiving Directorate for recording their entries at the Customs Declarations Record.
- d) The Suspension Directorate keeps the settlement note until the stakeholder submits a guarantee drawback application, so that the necessary procedures

are carried out. In case the guarantees were pledges issued by certain authorities and the stakeholders lagged in making a settlement within a month as of export date and there were no notes, the declarations should be settled through a revolving receipt and stakeholders should be notified.

- e) In case of any remarks or differences between the imports and exports, a note is issued indicating the differences and due taxes and duties, and the stakeholder is notified. No guarantees should be rebate except after paying due taxes and duties, resulting from these differences, or giving justifications accepted by the Customs.
- f) In case of partial exportation, The Suspension Directorate notifies either the Accounting Department or the financial Securities Directorate depending on the type of the guarantee - with the value of taxes and duties pertaining to the exported part in order to deduct it from the guarantee.

Chapter 6 Rebate of Customs Duties and Sales Tax on Re-exporting Final Release Foreign Goods

Article 162

Customs duties and Sales Tax can be rebated upon the re-exportation of final release foreign goods which have no local equivalents or which may be distinguished from any similar local goods, subject to the following conditions:

- a) The stakeholder must submit a request to the export Customs indicating the numbers of the import declaration and the payment receipt requesting goods re-exportation and rebate of the previously paid duty.
- b) The export Customs examines the goods to refute ignorance of their contents and to verify them against the previously imported ones to confirm identity provided that the exporter is the one who imported them.
- c) Export is done within a year of the payment of the Customs duty.
- d) Goods should not have been used within the country except for the tools, equipment and machines that are used for experimentation proved by a certificate from the competent authority at the Ministry of Trade and Industry.
- e) As for tools, equipment and machines it is provided that the serial number and the code are clear on the Customs declaration upon importation and that they are verified upon exportation.

Article 163

In addition to the preceding conditions, for the rebate of duty on cinematic tapes imported to be developed then re-exported, the following documents must be submitted:

- a) The postage receipt or its equivalent for the consignment.
- b) A copy of the receipt issued by the Film Control Agency which is affiliated to the Ministry of Culture.

Article 164

For the rebate of Customs duty and general sales tax on previously imported goods that have been rejected for any reason, the rejection document of the competent Control Authority should be submitted, their identity should be confirmed and they must be exported within a year of paying the relevant duty.

Part 4 Arbitration

Article 165

Pursuant to provisions of the Customs Law, if a dispute occurs between stakeholders and the Customs Authority, they may submit a request to the head of the competent Customs to refer it to arbitration. If accepted, the dispute will be referred to an arbitration committee after paying the amount of LE 350 as arbitration escrow charges.

Article 166

Arbitration may only be applicable for goods that are still under Customs control; however, the stakeholder or his legal representative may request for withdrawing the goods from the Customs sector after taking the necessary legal samples and paying the Customs duties, other related taxes and duties, and the arbitration charges as stated in the above article, in addition to all other legally due amounts.

Payment of taxes, duties and amounts stated in the previous heading will be final for the amounts beyond dispute. As for the differences under dispute, they will be paid as a deposit till arbitration is concluded.

Article 167

The head of the competent Customs complex is to confirm the acceptance of the application of the stakeholder or his legal representative by referring the dispute to arbitration in a report in two copies on the designated form. The two copies shall be signed by the applicant who will receive one copy of the report.

Documents required for arbitration consideration, a comprehensive note issued by the competent Customs and other documents should be attached provided that all those documents shall be recorded in the report.

Upon recording the arbitration request in the above-mentioned report and with the presence of the stakeholder or his legal representative, the Customs Director should take a double sample of the goods under arbitration to refer to upon analysis or examination. Those samples shall be kept in secure receptacles sealed by the Customs seal and signed by both the Customs officer and the stakeholder or his legal representative. All of these procedures are to be recorded in the above-mentioned report.

As for the goods from which it is difficult to take samples and which are not required to be physically presented to the arbitration committee, it is sufficient to submit an original catalogue of the goods along with a comprehensive descriptive note, and both are to be attached to the report.

All those documents and samples are referred to the Arbitration Technical Secretariat to schedule a session in a maximum of two working weeks as of the date of submitting the arbitration request.

Article 168

Referred summary disputes are to be examined by arbitration committees formed at the Central Customs directorates as follows:

First: Arbitration Committees of First Instance (Primary):

- a) One or more Committees are formed in every Central Directorate to examine the arbitration requests, headed by a member of judicial authorities at the rank of Chief Judge or an equal rank who is appointed by a decree issued by the Minister of Justice. The committees will include an arbitrator representing the Customs Authority appointed by the Commissioner or whomever he authorizes from the arbitrators' list issued by a Minister of Finance Decree, and an arbitrator chosen by the stakeholder or his representative. The Arbitration Technical Secretariat notifies the committee of the session date within a maximum of two weeks as of the date of forwarding the arbitration request. If the stakeholder abstained from choosing an arbitrator or if his arbitrator did not

show up at the time of convening the session, this will be considered an abstention from the arbitration request and his deposit should not be rebated if he does not renew his request within a maximum of a week as of that date in order to represent the dispute before the committee. The Arbitration Technical Secretariat should determine the earliest session provided that the stakeholder signs for acknowledgment. If he did not show up for the second time, it is deemed a final cancellation of the arbitration and he is not entitled to claim the arbitration duties.

- b) The arbitration committee concludes its judgment after hearing the defense of the arbitration parties provided that it is justified. If it is a unanimous judgment, it will be final, but if it is a majority decision, it may be contested before the Supreme Arbitration Committee. This contestation should take place within fifteen days as of the date of the contested judgment and if it is from the stakeholder, he should pay LE 350 as a deposit for the contestation charges.

Second: Supreme Arbitration Committees:

One or more Supreme Committees are formed, in every Central Directorate, headed by a member of judicial authorities at the rank of a Counselor or at least an equal rank who is appointed by a Decree from the Minister of Justice. The committees will include an arbitrator representing the Customs Authority appointed by the Customs Commissioner or whom he authorizes by him from the arbitrators' list issued by a Minister of Finance decree, provided that they were not members of the committee that issued the contested judgment, and an arbitrator chosen by the stakeholder or his representative. The committee shall give a decisive and justified majority judgment after hearing the defense of both parties and after examining the documents.

Article 169

The number, headquarters, and jurisdiction of the committees referred to in the aforementioned article are determined by a Minister of Finance Decree. A decree is issued by the Customs Commissioner to form a Technical Secretariat including Customs officials for each committee affiliated to the primary or supreme arbitration committees. This Technical Secretariat will manage the arbitration administrative affairs, keep the related records, and prepare the required studies and research.

After collecting the arbitration charges, the Technical Secretariat of arbitration committees submits a copy of the statement and attached documents to the

competent central department head, so that he can decide the arbitration committee and the session date, provided that it is held at the competent Customs.

Article 170

Disputes referred to Primary Arbitration Committees are considered according to the following procedures:

- a) The Committee's Technical Secretariat notifies the committee members of the session time and place, along with any modifications that occur afterwards, at least a week before the assigned date, unless otherwise requested by the stakeholder by a confirmed letter, a written notification sent by facsimile signed by each party arbitrator for acknowledgment or by telephone.
- b) The committee convenes on the assigned time and place to examine the dispute. All related papers and documents should be at the Committee's disposal, along with one of the two taken samples or the catalogues while keeping the other sample at the Customs for reference when necessary.
- c) Any new documents or viewpoints that were not included in or attached to the report should be included in the arbitration, if seen necessary by any of the two parties, after being submitted to the competent Technical Secretariat a considerable time before the session date.
- d) The arbitration committee issues its decision either unanimously so that it is final or by the majority of voices so that it can be contested before the supreme arbitration committee provided that the disputed sample is stamped to be submitted to the supreme arbitration committee. In all cases, the concluded judgment should be justified.

Article 171

Contestations referred to the supreme arbitration committees from the primary arbitration committees are examined according to the following procedures:

- a) The Technical Secretariat affiliated to the supreme arbitration committee should - once the arbitration correspondence are sent to it by the primary committee's secretariat - submit those papers to the competent Central Directorate head to assign the committee that will consider the arbitration and set the session time and place provided that it is held within the Central Directorate Sector.
- b) The Technical Secretariat notifies the committee members of the assigned session time and place, at least a week before, by a confirmed letter or a

written notification signed by each arbitrator for acknowledgment sent by the facsimile.

- c) The Committee convenes on the assigned place and time and all related correspondence and documents should be at their disposal. A decision reached by the majority of voices and recorded in the session report signed by the committee members.
- d) The decision reached by the supreme arbitration committee is final, committing to both disputed parties and uncontestable except in cases stated in the Arbitration Law on Civil and Commercial aspects issued by law no. 27 for the year 1994. The decision should be justified and should state who will pay the arbitration charges.
- e) The Technical Secretariat notifies the head of the Central Directorate and the stakeholder or his legal representative of the arbitration decision by a written letter.
- f) The head of the Central Directorate should notify the director of the Customs where the disputed goods are stored of the committee's decision so as to take the necessary procedures accordingly.

Article 172

The Customs Authority and the stakeholder or their representatives can present their defense to the arbitration committees.

Article 173

Payments to members of the arbitration committees are determined as follows:

- a. Primary Arbitration:

Committee President	LE 100
Customs Arbitrator	LE 60
- b. Supreme Arbitration:

Committee President	LE 150
Customs Arbitrator	LE 100
- c. The remaining arbitration charges are distributed according to a Customs Commissioner Decree.

Article (174)

Arbitration procedures are carried out on goods that are not under the Customs Authority's control when asking the stakeholder to pay the difference in Customs duties and taxes in the following cases, and under the following conditions:

- a) If the goods are in the same condition as when they arrived and no changes have affected them.
- b) If the invoice and the packing list indicate a full description of the goods and Customs verification has been carried on them.
- c) If the stakeholder submits catalogues whose numbers conform to the Customs declaration and its attachments.

Part 5 Customs Officers

- **Customs Officers**
- **Customs Violations and Evasion**
- **Wages and overtime expenses**
- **Selling Goods**

Chapter 1 Customs Officials

Article 175

Customs Officials assuming the following positions, each within the limits of his mandates, are given the authority of judicial officers for crimes of violating the provisions of Customs Law and its amendments, special laws pertaining to Customs taxes and duties, and implementing decisions:

- Sector Director
- Central Directorate Head
- General Director
- Senior Researcher
- Director
- Head of Section
- Movement officer
- Tariff officer
- Inspectors of the General Directorate for Evasion Control
- Legal researchers

Article 176

Only Customs Officials, each within the limits of his mandates, have the right to search places, people, goods and means of transportation inside Customs sectors and places and warehouses subject to Customs supervision. They also have the right to get on board of ships within Customs control for inspection or for demanding the bills of lading and, if necessary, they may ask for the assistance of seizure officers from other authorities.

Article 177

Customs Officials and the assisting officers from other authorities have the right to chase smuggled goods, even outside the range of Customs control, to seize them along with the means of transportation and persons involved and to hand them to the nearest Customs branch.

Article 178

Carriers, Maritime Agencies, natural persons and artificial persons connected to Customs transactions should keep all papers, records, deeds and documents related to those transactions provided that they indicate, in detail, their roles in relation with those transactions.

Article 179

Importers of foreign goods for commercial purposes and direct purchasers should keep what indicates the payment of Customs duties. As for holders of foreign goods for commercial purposes, they should keep what indicates the origin of those goods.

Article 180

Establishments and persons mentioned in the preceding two articles should submit the papers, documents, records, deeds and all issued deeds referred to in this section to the competent Customs officials to enable them to review them. Those officials may seize the documents, deeds and records in case of any violation and they should submit a report to senior Directors within a maximum of one week as of the date of seizure.

Post audit takes place at the offices, factories, or HQs of the aforementioned establishments or persons. The Customs Commissioner may assign a committee that is formed upon his decision to review the spotted cases and to verify whether a breach was committed or not. He may also consult the Chamber of Commerce or Industry or the concerned chamber within its jurisdiction the seizure has taken place.

Article 181

Papers, documents, deeds and records mentioned, in the preceding article, means records required according to the type of activity, especially the entries related to Customs transactions and the most important of them are:

- a) Records required according to the type of activity.
- b) Correspondences and deeds pertaining to the deals related to the Customs transactions.

Article 182

All those addressed in articles (178) and (179) in this Regulation should keep the aforementioned records for five years as of the date of being signed and finalized by Customs officials. As for documents, correspondences and deeds, their filing period starts as of the date of their sending or receiving according to the Law of Trade.

Article 183

In cases other than chasing smuggled goods, judicial seizure officers of Customs officials should obtain – after the approval of the Finance Minister – a warrant from the Public Prosecution before inspecting or seizing goods outside Customs sectors or a permission from the Customs Commissioner in case of demanding the documents indicating the payment of evaluated taxes or duties and should record this at the beginning of the report.

Executing any of those procedures cannot be carried out except during the official working hours of the facility taking into consideration that work is not disrupted as a consequence. In all cases, a copy of the seizure or inspection order is handed to the person concerned.

Article 184

Other than being caught red handed, no investigation procedure should be taken against Customs officials assuming the power of judicial officers who commit crimes during their work and because of it, unless based on a written request by the Minister of Finance. In all cases, no legal action shall be filed against them until obtaining this written request. Upon a decision by the Minister of Finance, a committee is formed consisting of the legal advisors of the Minister of Finance, the Customs Commissioner, the Head of the Central Directorate for Legal Affairs and Interrogations, and the Head of the Central Directorate for Financial and Administrative Affairs of the Authority to

examine the subjects related to the aforementioned crimes. The committee may consult whoever it conceives. It should make a report of its recommendations to be submitted to the Finance Minister to take the necessary procedures as regards issuing the written letter or not.

Chapter 2 Customs Violations & Customs Evasion

Article 185

The terms of Article 118 item 3 of Customs Law are applied to foreign goods outside the Customs area and Customs control if the stakeholder (for commercial purposes) does not submit the documents indicating the payment of Customs duties and other determined taxes and duties or the document indicating their legal origin. Provisions of Article 121 of Customs Law should be applied if those goods were prohibited or banned, if the importer or the direct purchaser has submitted forged or factitious documents, or if they were of the types that law has conditioned their release with special marks (Banderole Stamp), such as cigarettes, cigars, and alcoholic drinks.

Article 186

In cases other than smuggling for commercial purposes, the Customs Commissioner is authorized to prosecute the general claim against those crimes and to accept reconciliation. In cases of smuggling for commercial purposes, Customs Commissioner is authorized to prosecute the general claim if the Customs compensation does not exceed fifty thousand Egyptian pounds.

The head of the Central Directorate at Port Said Customs and the Free Zone is authorized to prosecute the general claim for crimes of smuggling for commercial purposes that take place within Port Said Customs area and control if the Customs compensation does not exceed fifty thousand Egyptian pounds.

Article 187

Directors of the General Directorates of Newbie Customs, Saloum Customs, Aswan Customs, and Safajaha and Red Sea Customs, each within the limits of their jurisdiction, are authorized to prosecute the general claim for crimes that take place within their Customs area and control according to Customs Law provisions if the Customs compensation does not exceed ten thousand Egyptian pounds.

Chapter 3 Expenses and Wages for Overtime and

Working Outside Customs Areas

Article 188

No extra expenses or wages are collected for the tasks done by Customs officials for stakeholders, inside Customs areas, or for the Customs committees working in Free Zones during the official working hours, determined as 24 hours for exports and 16 hours for imports in ports, warehouses, or free zones that work according to two shifts (day and night shifts).

Other than the above-mentioned tasks, wages of Customs officials for tasks done to the stakeholders over official working hours or outside the Customs area will be as follows:

First: Customs supervision on goods loading, unloading, transportation and opening warehouses:

- 10 LE per hour, or less, with a minimum of 20 LE (Twenty Egyptian pounds) for each commercial ship or other ships.
- 5 LE per hour, or less, with a minimum of 10 LE (Ten Egyptian pounds) for each railroad carriage.
- 10 LE per hour, or less, for each lighter observation, delivery, inspection, guarding, or any other process authorized under Customs supervision or control, provided that the minimum collection is 20 LE (Twenty Egyptian pounds) for each process.
- 50 LE per ship, for the Ships Inspection Committee for revising ships documents and searching them on holidays and beyond official working hours.
- 20 LE per hour, or less, for observing goods transportation and delivery to the stakeholder or transit from platform to the storing company warehouses.
- 20 LE per hour, or less, for observing unloading, withdrawing or transporting petroleum materials and their derivatives, whether imported or extracted from a foreign raw material.
- 10 LE per hour, or less, for observing the loading of imported bulk goods upon the stakeholders' request.
- 100 LE for procedures pertaining to commercial ships license (per ship), and 20 LE for every sail ship, including Enabling Certificate.
- 20 LE for delivering and receiving valuables.

Second: Opening Passengers Customs at Sea Ports:

- 100 LE for each ship for passengers' entering or exit.

Third: Customs Officials' Transportation:

1. Inside the city:

- 40 LE for transporting first rank and higher officials.
- 30 LE for transporting appraisers or a Movement Officer.
- 20 LE for transporting any other officials.

2. Outside the city:

- Amounts stated in item (1) are doubled.

Article 189

The minimum actual value of a Customs seal is 5 LE, and 5 LE for issuing copies of documents and official correspondence of imports, per each certificate issued by the Customs Authority, copy of a document or a Customs declaration, in addition to the due stamp tax.

Costs pertaining to recalling data from computers are 200 LE per each hour required for processing data, upon the stakeholder's request, provided that the collected expenses are no less than 50 LE for each time.

Costs pertaining to the electronic link with the Customs database are collected as follows:

- a) Actual cost value is collected on commencing the contract to supply the service of linking external establishments with the electronic system of the Customs Authority. This value is determined by the executing company and the Central Directorate for Information Technology and Facilitating Procedures at the Authority. No licenses to new warehouses or renewal licenses to established warehouses are to be given before providing this service.
- b) The actual costs pertaining to the maintenance of information and equipments that are determined by the executing company and the Central Directorate for Information Technology and Facilitating Procedures at the Customs Authority should be paid in advance. The value of this service is collected in cases of renewing the contract of already contracting establishments.

- c) The person contracting with the Customs Administration should abide by the terms of the contract signed between both parties, without prejudice to the above provisions.

Article 190

Storage duties for goods stored at the Customs stores, warehouses and yards are collected as follows:

- a. Goods:
 - 2 LE per ton, or less, for each day of the first week
 - 4 LE per ton, or less, for each day of the second week and the following weeks
- b. Passengers vehicles:
 - 10 LE per vehicle for each day of the first week
 - 20 LE per car, or less, for each day of the second week and the following weeks
- c. Trucks, Pickups and Buses:
 - 15 LE per vehicle for each day of the first week
 - 30 LE per for vehicles each day of the second week and the following weeks

Article 191

The following goods are exempted from storage duties:

- a) Goods remaining as a result of sequestration and judicial receivership in favor of the Customs Authority as long as during the sequestration and receivership period.
- b) Goods of which clearance procedures were suspended till obtaining analysis or arbitration results during the analysis or arbitration period provided that the result is in favor of the declarant.
- c) Donations and aids for ministries and governmental authorities from foreign or international governments or authorities.

Article 192

In all cases, storage duties shall not exceed half the value of goods.

Chapter 4 Selling Goods

Article 193

Goods that have stayed for more than four months at warehouses or on platforms inside the ports, and their stakeholders lagged in withdrawing them after being notified by a letter with acknowledgment of receipt or through an announcement by the department should be sold. As for damageable or reducible goods, they shall only be permitted to remain inside the Customs as long as their condition allows. If they were not withdrawn during that period, the Customs should issue a statement indicating the goods condition and automatically sell them without the need to notify stakeholders. The same is applied to the belongings left by passengers in Customs Offices.

The Customs Commissioner is authorized to reduce the storage period, if necessary, so that ports will not be overloaded with goods.

Article 194

The General Authority for Governmental Services is entitled to sell the goods referred to it and unclaimed, seized, and abandoned vehicles as well as vehicles assigned to the Customs Authority according to the Bids and Tenders Law issued by law no. (89) of the year 1998 and its Executive Regulation. Damageable or reducible items are sold by the Customs Authority directly.

The selling value of damageable or reducible goods sold under a case or dispute is placed in a deposit account till a final decision is issued in this regard.

Article 195

The Customs Authority should notify the General Authority for Governmental Services with the description of the goods and vehicles registered as unclaimed within fifteen days as of the registration date, according to their value, assigned Customs tariff category along with Customs taxes and duties on the selling date with consideration to goods final condition. The General Authority should take the selling procedures within a month of receiving that description so as to avoid accumulations within ports.

Article 196

The General Authority for Governmental Services shall be entitled to determine the local market prices for goods and to provide the bases on which those prices were determined, according to the rules and regulations valid within the Authority. In case the market price was more than the value determined by the Customs Authority, the market price should become the basic selling price. In case the market price was lower than the value determined by the Customs Authority, a joint committee of both parties

shall be formed to examine the difference and to agree on a basic selling price. If no final decision was reached by the committee, the Authority should decide the basic selling price according to the market value.

Article 197

The Customs Authority should finally release the sold goods and vehicles upon the submission of an approved copy of the selling contract that indicates that the purchaser has paid the whole price. Delivery procedures are executed by a joint committee of the Customs Authority and the General Authority for Governmental Services within a maximum of two weeks as of the selling contract approval date. If the purchaser did not withdraw the sold items within 30 days, the Authority shall re-sell the items through bidding according to the provisions of Bids and Tenders Law and its Executive Regulation.

Article 198

In return for managing the selling transaction stated in the above-mentioned articles, the General Authority for Governmental Services receives the following amounts:

- 7% of the total selling value after bidding awarding and execution.
- 7% of the paid amount in case the bid awarded person did not pay the remaining value.
- 2% of goods value for Customs purposes is to be paid by the consignment owner in case of lotting and before announcing it, if requested.
- 7% of goods value for Customs purposes in case of relinquishment should be paid by the consignment owner in case it is announced, or before awarding and approving the bidding by the competent body affiliated to the General Authority for Governmental Services.
- 2% in case of direct or negotiation sale to governmental authorities provided that relinquishment occurred after contracting.

Article 199

Bidding insurance should be deposited in the Customs Treasury provided that the remaining amount is paid in the same Treasury within a maximum of fifteen days as of the bidding awarding date. If the remaining amount was not fully paid within this period, procedures provided in the Bids and Tenders Law and its Executive Regulation will take place.

Article 200

The General Authority for Governmental Services should submit a full bidding transactions statement to the Customs Authority, the status of sold goods and the value of each within fifteen days as of the date of finalizing selling session. The Customs Authority should pay to the General Authority its dues within a month of delivering the goods.

Article 201

The Customs Authority distributes the sales revenues according to priority as stated by the terms of Article 130 of Customs Law, starting with the selling expenses, then the Customs duty, and other taxes, duties, and expenses within a month of the date of paying the full price.

Article 202

After public auction award and approving the selling contract by the competent authority, or contracting as for direct sale, it is not permitted to withdraw the sold goods to deliver them to the original owner.

Article 203

If the stakeholder requested receiving his goods before the auction awarding, and paid the administrative duties to the Customs Authority, he should notify the Authority so that goods will not be sold. Administrative duties are determined according to this regulation.

Article 204

The Customs Authority may dispose of the unclaimed goods, with or without a return, as per the terms of Article 130 "repeated" of Customs Law in case the following conditions were fulfilled:

- a) Surpassing a minimum of two years as of the latest promotion for sale.
- b) Notifying stakeholders or their representatives, beforehand, with a registered letter with acknowledgment of receipt, indicating the necessity of withdrawing their goods from the Customs area before promotion.
- c) Those goods should have been promoted for public bidding without being sold at least twice.

Article 205

The competent head of Central Directorate or the competent Director of the General Directorate for Unclaimed Goods and Sales at the Customs Authority should promote

goods mentioned in the previous article for sale to governmental authorities, public corporeal persons, or public beneficiary societies to cover disposal charges upon the willingness of any of them to buy the goods.

Article 206

The Customs Commissioner may assign - free of charge - to any of the following authorities, the goods mentioned next to them, except for vehicles of any type where the Minister of Finance approval is required:

- a) Weapons and Ammunition: Ministry of Defense or Ministry of the Interior Affairs.
- b) Medications: Ministry of Health – Or University Hospitals or Ministry of Scientific Research.
- c) Textiles, textile products and leather products: Ministry of Social Affairs or Red Crescent Society.
- d) Books, magazines, and registered holders: Ministry of Culture or Ministries of Education and High Education.
- e) Furniture and vehicles: Ministry of Finance and subordinate authorities, or Ministry of Defense and Ministry of the Interior Affairs.
- f) Chemicals: specialized governmental authorities.

Article 207

When agreement is reached with any of the authorities stated in the two previous articles concerning goods disposal, with or without return, documents should be forwarded to the States Judicial Authority that shall, in turn, issue a memorandum order by the competent judge to take his permission regarding disposal to the assigned authority.

Article 208

Control rules should be fulfilled before goods disposal as mentioned in this chapter.

Article 209

Exemption of Customs taxes and duties, and sales general tax will be consequent to goods disposal, with or without return, as per the provisions of this chapter.

Article 210

In all cases, authorities for which the disposal is made should pay the actual expenses born by the Customs Authority in the process of assigning the disposed goods to those authorities.

Appendix

**The Prime Minister's Decree No.1635 for the year 2002
On the Regulating Rules and Procedures
For Temporary Admission and Customs Duties and Taxes Rebate**

The Prime Minister

After examining the Constitution;
Customs Law issued in law no. 66 for the year 1963;
Law no.118 for the year 1975 on export and import;
Law no. 155 for the year 2002 on exportation enhancement;
And according to the proposal of the Foreign Trade Minister and the Finance Minister;

Decides:

(The First Article)

Attached rules and regulations on temporary Admission and Customs duties and taxes rebate are implemented.

(The Second Article)

Any provision opposing the attached rules and regulations is annulled.

(The Third Article)

This decree is to be published at "Egyptian Gazette" and implemented as of the next day of publication.

Issued at the Presidency of the Cabinet on 14th Rajab, 1423 Hijri
Corresponding to 21st September, 2002 A.D.

Prime Minister
Dr. Atef Obeid

Rules and Regulations

For Temporary Admission and Customs Duties and Taxes Rebate

Chapter One Department of the Temporary Admission and Customs Duties, Taxes and Services Duties Rebate

Article 1

A central unit is established at the Ministry of Finance and formed of representatives of the Customs Authority and the General Organization for Export and Import Control (GOEIC), to work under the supervision of the Minister of Finance in collaboration with the competent Minister of Foreign Trade, presided by an expert of the Ministry of Finance and its vice president is an expert of the competent Minister of Foreign Trade.

The unit's organizational structure and competencies of its personnel are determined by a Prime Minister decree based upon the proposal of the Minister of Finance in agreement with the competent Minister of Foreign Trade.

The mandates of this unit are as follows:

- Setting up a developed system for keeping data and information pertaining to the temporary admission and Customs duties and taxes Rebate Regimes.
- Receiving, reviewing and keeping all types of guarantees submitted by stakeholders or forwarded from subsidiary units after adding them to the customer's account.
- Receiving and keeping the reports of concerned authorities, on the depreciation percentage, that are directly forwarded to it or referred to it by subsidiary units.

- Deducting and refunding guarantees after the end of their purpose according to the settlement carried out at subordinate units.
- Considering and finalizing any problem referred from the subsidiary units.
- Developing regulations for the rebate of duties and taxes and finalizing the problems forwarded from the subsidiary units.
- Following up the results of applying the regime and their effect on exports promotion.
- Supervising, mentoring and following up the annual inventory of the producing units that is carried out under the supervision of the Customs Authority in accordance with the provisions of Customs Law/ Article (98).
- Submitting a quarterly report on performance measurement that is submitted to the Finance Minister and the competent Minister of Foreign Trade.

Article 2

Subsidiary units are to be established at sea, land, air ports and outlets. The Minister of Finance and the competent Minister of Foreign Trade are to agree upon the locations of these units at the above-mentioned outlets and on the appointment of the heads of the subsidiary units and their deputies. A Prime Minister decree is issued to determine the organizational structure and the mandates of those units based upon the proposal of the Minister of Finance and the competent Minister of Foreign Trade.

The unit's roles and responsibilities are as follows:

- Considering the exporters' and importers' applications to use the temporary Admission and the duty Rebate Regimes as well as accepting their registration in the relevant registers.
- Fulfilling the export/ import procedures as for the temporary release system.
- Receiving all types of guarantees from those dealing with the Temporary Admission Regime.
- Finalizing the settlement and deduction procedures on the guarantees specified for the temporary release system.
- Finalizing the Customs duties and taxes drawback procedures on the relevant guarantees.
- Finalizing Customs taxes and duties rebate procedures for all exports of the Drawback Regime.
- Subsidiary units' heads are technically reporting to the central unit.

- It is not allowed to launch any technical instructions or clarifications implementing this Law, unless approved by the Minister of Finance and the competent Minister of Foreign Trade, according to the recommendations of the Central Unit's Head.

Chapter Two Temporary Admission Regime

Article 3

The Temporary Admission Regime means temporarily exemption (suspended exemption) from Customs duties and taxes, and other duties and taxes for the imported raw materials and intermediate products that will undergo manufacturing process. The temporary exemption is also applicable for production requirements of products for export as well as imported goods that will undergo maintenance processes before being exported. Those materials, products and requirements are exempted from all importation rules regulated by the Executive Regulations implementing the Import / Export Law # 118 – 1975.

Article 4

The exemption stipulated in the above-mentioned article will be applicable according to the following conditions:

First:

To place a deposit /guarantee that has to be equivalent to the value of the due Customs duties & taxes in any of the following forms individually or collectively:

- a) Cash guarantee
- b) Bank guarantee
- c) Facility guarantee which must be equivalent to 80% of the net share of the facility as per the definition of the Central Accounting Authority, and also as per the report developed by one of the listed auditors, who should be assigned by a Ministerial Decree from the Minister of finance & the Minister of Foreign Trade.
- d) A personal pledge from the exporting companies, which have been in the business for at least three years prior to the date of submitting the request to use this regime. It is conditional that the requesting company should have not committed any violations to this regime. Those companies are allowed to present a guarantee that should not exceed 20% of the highest value of their imports throughout any of the previous three years.

It is allowed to use the credit left over in the form of letters of guarantees (placed at the temporary admission unit) that are related to previous transactions as a guarantee for other transactions under the same regime. It is also permitted to present a guarantee for left over quantities, in case of partial export against an original guarantee rebate.

Second:

The exporter should comply with the rule of exporting / selling his goods to exempted entities, or to dispose them as per the regulating rules for that concern throughout 2 years as of the release date. This time limit may be extended for one or more period (s) which should not exceed 2 years, through a Decree issued by the Minister of Finance or whom he authorizes.

If the 2 years time limit is over without selling/exporting the commodity, Customs duties and taxes should be due as of the entry date of those materials and items together with an additional tax which should be equivalent to 2% of the value of the due Customs duties and taxes for each month of delay, on condition that all importation rules should be followed.

Article 5

For products imported under the Temporary Admission Regime, the guarantees presented by the importing / production units should cover 25% of the value of the due Customs duties and taxes, while for textiles it should cover 50% on the least, and at least half of the 50% should be cash and bank guarantees.

All the above mentioned types of guarantees should be complying with the following conditions:

- a) The production unit should be licensed, and should have been operating for at least one fiscal year. This should be supported by submitting their license copy in addition to a certificate from the Controlling Agency.
- b) The production unit should be registered in the Commercial Record of the producing agency.
- c) The unit must have a taxation file, or to be tax exempted.

These data should be registered at the beginning of using the Temporary Admission Regime or on importing the commodity for the first time.

For any case other than the above mentioned, the presented guarantees by the importing company should be covering the total value of the due Customs duties and

taxes under this regime, and half of the total value should be in the form of cash or bank guarantees.

Article 6

The following procedures should be applied on importing goods under the Temporary Admission Regime:

First:

The stakeholder or his representative should fill in all Customs declaration boxes, and deliver the Customs declaration to the competent subsidiary unit accompanied by:

- Delivery Order
- Original copy (not a photocopy) of the Bill of Lading
- Commercial Invoice (in English, French, or Arabic)
- Packing List
- Certificate of Origin in case of requesting the exemption for imported goods from countries committed to Customs preferential agreements with Egypt.

Second:

The subsidiary unit should carry out the following responsibilities:

- a) Overseeing Customs declaration
- b) Registering Customs declaration in ledger (46), and entering the relevant data to the computer
- c) Forming a committee (consisting of a movement officer, a tariff officer, and an inspector) to carry out the following responsibilities:
 - 1- Inspecting the shipment and identifying the commodity, quantity, and tariff heading.
 - 2- Reviewing prices and estimating Customs duties and taxes.
 - 3- Taking and retaining three different sealed samples of each article (item).
The storage (retaining) report should be approved by the movement officer, the inspector, and the importer or his representative. One of the three samples should be retained at the subsidiary unit, the second sample should be sent to the Industrial Control Authority, while the third should be handled to the importer or his representative. It is allowed to store more than an additional sample, as per the importer's request to be use for export through multiple Customs outlets. In case of having any difficulty in

withdrawing samples, catalogues or original drawings issued by the producer may be attached to facilitate verification on exporting the product.

- 4- Entering goods description data found out through inspection into the computer, to be used on performing settlement.
- 5- Issuing the temporary imports release order (inventory list) which has to be delivered to the importer after entering the relevant data to the computer. The release order should indicate all shipment data, and should also be attached to a copy of the printout of the data that have been entered to the computer.
- 6- Receiving bank / cash guarantee. If the importer has guarantee deposits, regardless to their type, the unit should be deducting out of those guarantees.
- 7- The data of the delivered guarantees should be processed, electronically forwarded to the central unit, and registered in the import declaration.
- 8- Delivering the temporary imports release order (inventory list) to the stakeholder, this order should indicate all shipment data and must be attached to a copy of the data which had been entered to the computer.

All the above mentioned procedures should be finalized within 24 hours from the completion of all documentation requirements by the importer.

If those procedures were not finalized within that time limit, the head of the subsidiary unit should report to the head of the central unit justifying the delay to take all necessary actions and to develop the relevant report which has to be forwarded to the Ministers of Finance and the competent Minister of Foreign Trade.

Article 7

The following procedures should be applied on exporting under the Temporary Admission Regime:

First:

The exporter or his representative should fill in all the export declaration boxes indicating all imports declaration numbers for imported items/materials used in producing/manufacturing the exported products, and should also deliver the declaration to the subsidiary unit for reviewing, registration in ledger (46), and data processing into the computer.

Second:

The subsidiary unit should assign the inspection committee which should be responsible for inspection and finalizing export procedures as follows:

- a) Overseeing export declaration data, data processing into the computer, and registering in ledger (46). The export declaration data may be revised without imposing any fines or expenses on the exporter as a result of revision as long as it is done before shipment inspection.
- b) Shipment inspection and verification against the samples that have been retained at Customs under restrictions, or given to the exporter (in case of taking samples), and after inspection the shipment is restored under restrictions.
- c) Verification of the export declaration data through inspection, and if any violations were found, Customs law adjudications should be applied.
- d) If the exporter had no stored sample, two samples of the shipment for export should be retained (stored under restriction). One of the two samples must be given to the stakeholder, while the other one should be stored at the unit and the shipment could be exported on condition that the unit should be verifying the stored sample later either against the exporter's sample or the subsidiary unit's sample.
- e) Correction of any of the processed data according to actual inspection results.
- f) Delivering the Export Release Order to the exporter to complete shipping procedures and have them (shipping procedures) validated, approved by the Customs and the Shipping Agent indicating the completion of export.
- g) Delivering the export declaration photocopy to the exporter. This photocopy should be approved by Customs ensuring that it is identical to the original and should be accepted for any of the purposes requiring the use of Customs export declaration such as, Sales Tax, Taxes rebate, and other purposes. The exporter has got the right to get any number of the approved copies of the export declaration without any expenses.

Article 8

The following procedures should be applied on shipments sold to entities having the privilege of being totally or partially exempted from Customs duties and taxes, while those shipments are under the request to be admitted as per the rules of the Temporary Admission Regime:

First:

- a) The stakeholder or his representative should fill in all the boxes of annex (1) which is developed for that purpose at the subsidiary unit. Annex (1) should be attached to:
 - Detailed invoice for exempted products (items).
 - Delivery Order (supply order).
 - A certificate from the Agency controlling the exempted entity (the buyers) indicating the exemption bond.
- b) Annex (1) should be submitted to the subsidiary unit, which in turn review its data, register in ledger (46), and enter the data to the computer.

Second:

- a) The subsidiary unit which is responsible for shipment inspection should verify inspection results against: the relevant Control Agency Certificate, the Invoice, and (Supply Order) the Delivery Order
- b) The Exemptions Directorate of the competent Customs Sector should review the exemption bond and all relevant documents to assure the compliance of the sold products (as per the actual inspection results) with the exemption stipulation. Officials of this Directorate should also write their comments regarding requirements on the designated form {annex (1)}, and forward it to the subsidiary unit for procedures completion.
- c) The subsidiary unit should deliver a validated (approved) certificate to the stakeholder indicating the completion of selling procedures to the Exempted entity. The unit should keep the original of annex (1) to complete the rebate procedures accordingly.
- d) The General Directorate for Monitoring Exemptions should be notified with an approved copy of annex (1), to take all necessary actions.

Article 9

The following procedures should be applied for settlement of:

- a) Exempted goods as per the Temporary Admission Regime
- b) Goods sold for exempted entities as per the Temporary Exemption Regime.

First:

The exporter should submit a settlement application / request to the subsidiary or the central unit, this request should indicate the following:

- Imports declarations on which quantity deduction will be applied.
- The approved exports declarations indicating the completion of export.

- The certificate of selling to the exempted entities, which should be approved by the subsidiary unit.
- Reports of the competent entities concerned with depreciation percentages.

Second:

As soon as the settlement request is submitted, the unit should finalize all settlement procedures as follows:

- a) The storage unit of the central unit's computer should automatically receive, review, and assure the accuracy of the forwarded data as well as the deposits /guarantees for rebate, release, or settlement.
- b) As soon as the central unit receives the data from the subsidiary unit, they should notify them confirming guarantee rebate or release.
- c) The subsidiary unit is responsible for printing out a computerized statement indicating deposits/guarantees/ pledges, which are under the request of being rebate or settled. This statement should be handled to the stakeholder after being stamped and registered at a specific ledger, specially designated for that purpose. The stakeholder has the right to get a statement indicating the balance of his imports orders and guarantees.

**Chapter 3 Rules for disposing of goods (imported under the
Temporary Admission Regime) for purposes other than
those imported for**

Article 10

Materials and products imported under the Temporary Admission Regime as final imports may be disposed for production or trading purposes according to the following rules:

- a) The stakeholder should fill in all import declaration data at the designated form specifying the number of items for disposal and their relevant imports declarations numbers (as Temporary Admission). The stakeholder should comply with all importation rules indicated by the Executive regulations implementing the Import / export law.
- b) The stakeholder should submit the import declaration to the subsidiary unit to be reviewed and have its data keyed into the computer.
- c) The unit should assign a committee within 48 hours to inspect the items for disposal to estimate their value and the due Customs taxes and duties and

- other expenses. The unit should ensure applying all importation rules and the approval of the competent specific Control Agency for Exports / Imports.
- d) In case of failure on applying the above mentioned, the whole issue should be referred to the concerned authorities to take all necessary actions.
 - e) After filling in the import declaration form, the subsidiary unit collects Customs taxes and duties and expenses all together with an additional tax of 2% of the value of the due duties and taxes for each month as of the entry date of those materials/ products into Egypt.
 - f) The unit hands out the final release order (indicating commodities for disposal) and the import declaration under the Temporary Admission Regime to the stakeholder.
 - g) The subsidiary unit should complete the settlement procedures of the final release order according to the same procedures of the export certificates.

Article 11

Agencies that imported goods under the Temporary Admission Regime should be committed to performing an annual inventory for all their imports under the supervision of the Customs Authority within a maximum time of three months as of the date of submitting the inventory request by the stakeholder. The central unit should be notified with the inventory findings to take all necessary actions.

If the Customs representative failed to attend the inventory on the specified date, the above mentioned agencies should finalize inventory procedures and notify the central unit with their findings. In this case the central unit has the right to assure the inventory results within a maximum time of one week as of the notification date.

In case of the disability of assuring the inventory results, the unit is committed to perform the settlement process with the same style indicated in Article (9) after applying importation rules and after the approval of the specific Control Agency of Imports / Exports.

Article 12

In case of disposing the goods imported under the Temporary Admission Regime for cases other than those stipulated in Articles (9) & (10), and without the approval of the central unit, the importing agencies / companies should be committed to present to the unit for paying duties, taxes, and expenses which are due as of the date of entry of

those goods into Egypt. Those agencies / companies should also pay an additional tax of (4 %), monthly as of the date of release (as Temporary Admission) on condition that they should apply all importation rules and get the approvals of the specific Control Agency of Exports/ Imports.

Settlement of the disposed quantities should be done as per the same procedures stipulated in Article (9).

Re-export of materials with the same original state is considered as disposal for the permitted purpose and should allow the rebate of guarantees presented up on importation.

Chapter 4 Procedures for Customs Taxes and Duties and Services Duties Rebate

Article 13

Customs duties, taxes and services duties are rebated for imported foreign materials that had been used in manufacturing the exported local products on condition of having them transferred into free- zones / re-exported / soled to entities having the privilege of full exemption from those duties sand taxes for not more than two years as of the release date. It is allowed to extend this time limit for other periods, not exceeding two years, through a Decree from the Minister of Finance.

The rebate of Customs duties, taxes, and services duties for all exported products are estimated by committees, which are formed and assigned specially for that purpose by a Decree from the Deputy Prime Minister or the Minister of Agriculture (for agricultural products) and by a Decree from the Minister of Industry and Technological Development (for manufactured products).

The above-mentioned committees should include specialists in each group of products in addition to the Customs Authority Representative.

Regulating rules and procedures or the of Customs duties and taxes, and other duties and taxes rebate are issued by a Decree from the Prime Minister, with the guidance of the recommendations of the above mentioned committees and also according to the recommendations of the Minister of Finance and the competent Minister of Foreign Trade to implement those rules and procedures as of. October 1, 2002.

Up on the request of any of the producing / exporting units, it is permitted to obtain from the above mentioned committees an estimate of the amount of rebated Customs taxes and duties as well as services duties relevant to the products of each individual unit, after referring the issue to the Minister of Finance and the competent Minister of Foreign Trade.

Article 14

A specific account should be opened at the Egyptian Bank for Export Development to be used for the rebate of Customs duties and taxes, and services duties for exported products. This account is funded by the Ministry of Finance.

Article 15

For the rebate of Customs duties, taxes and other services duties, the following procedures are applied:

First: Export of goods to other countries or free – zones:

The exporter should present to the subsidiary unit with an approved copy of the export declaration indicating the completion of export.

The subsidiary unit should proceed as follows:

- Review the export declaration
- Assure the value of Customs duties, taxes, and services duties according to the approved rebate templates.
- Issue the discharge order or the check indicating the due amounts (of Customs duties, taxes, and other services duties) within no more than two weeks.
Collection of rebate amounts could be done through the Egyptian Bank of Exports Development or the unit's cashier, according to the stake holder's request.

Second: Products sold to totally or partially exempted entities:

- The stakeholder must follow all of the procedures indicated in Article (7).
- The stakeholder presents to the subsidiary unit to submit a certificate indicating the completion of selling to the exempted entity.
- The unit should review the certificate, assure the value of Customs duties, taxes and services duties according to the approved rebate templates, and

issue a discharge order or a check indicating the due amounts in not more than two weeks time.

- Collection of rebate amounts could be from the Egyptian Bank for exports Development or from the unit's cashier, as per the stakeholder's request.

Chapter 5 General Adjudications

Article 16

Dealing with the stakeholder or his representative, under the Temporary Admission Regime, is performed through an automated stakeholder's card (automated dealers card) designed specially for that purpose.

To obtain this card, the following documents should be submitted:

- Activity practicing license.
- Importation card (requirements importation card for production projects)
- Taxation card.
- A pledge to notify the unit with any amendments in the data presented.

Article 17

On estimating the value for Customs purposes regarding imported shipments under the Temporary Admission Regime, Articles (22), (23) of the Customs Law and all revising amendments as well as the implementation agreement of the 7th. Article of the GATT Convention should be considered as per the procedures indicated in Decree # 765 – 2001, issued by the Minister of Finance.

The Prime Minister's Decree # (10) – 2003
To revise some provisions of the Prime Minister's decree # 1635 – 2005

The Prime Minister

After reviewing the Constitution

And Customs Law issued by Decree # 66 – 1963

And Law # 18 -1975, concerning export and import

And Law # 155 – 2002, concerning Export Development.

And the Prime Minister's Decree # 1635 – 2002

And what was presented by the Minister of Health and Population

Decided:

(First Article)

"After the approvals of the specific Control Agencies for exports and imports",

The above mentioned sentence should be added to both: "third Segment" from First of Article (9), and Segment "H" of Article (10) from the above mentioned Prime Minister's Decree # 1635 – 2002, to stipulate the following:

Article 9

On performing settlement for goods exported under the Temporary Admission Regime or sold to exempted entities (according to the same regime), The following procedures should be followed:

First:

The stakeholder should submit a settlement request to the subsidiary unit or the central unit, this request should indicate the following data:

- Imports declarations according to which goods quantities deductions will be.
- Approved exports declarations indicating the completion of export.
- Certificate of selling to the exempted entities, which should be approved by the subsidiary unit after the approval of the Specific Control Agency for Exports and Imports.
- Reports from the competent Authorities concerned with depreciation percentages.

Article 10

It is allowed to dispose the items and materials, imported under the Temporary Admission Regime (as final imports), whether this disposal is for production or trading purposes according to the following rules:

(H) The unit hands out the final release order concerning products / items **for disposal** (after registration and approval of those items by the Specific Control Agency for Imports and Exports). The release order should indicate items which **had been disposed** before, as well as the temporary release imports declaration.

(Second Article)

This Decree should be published in the "**Egyptian Gazette**" and should be implemented as of the day following the publishing date.

Issued at the Cabinet on January 1, 2003

Prime Minister

Dr. Atef Ebeid

The Prime Minister's Decree # 1165 – 2005
Regarding projects exempted from presenting deposits / guarantees on
using the Temporary Release Regime.

The Prime minister

After reviewing the constitution,

And the Customs Law # 66 -1963,

And the Prime Minister's Decree # 164 – 2001, regarding rules of dealing with some exporters,

And the Prime Ministers Decree # 1635 – 2002, regarding rules and procedures regulating the Temporary Release Regime, Customs duties and taxes rebate, and its amendments,

And Decrees # 267, 382, 447, 475, 968, 1276, 1317, 1569 – 2001, and 177, 594, 764, 1366, 1532 – 2002, and 39, 191, 1233, 1418, 1670 – 2003, and 142, 373, 575, 921 -2004, issued by the Minister of Finance, regarding the exemptions list (exemption from presenting deposits / guarantees on using the Temporary Release Regime),

And the issues presented by the Minister of Finance and the Minister of Industry & Foreign Trade,

Decided:

(First article)

Considering the provisions of Customs Law # 66 – 1963, and its amendments, as well as the provisions of the Prime Minister's decree # 1635 – 2002, production projects are exempted from presenting deposits / guarantees {mentioned in Article (98)} of the above mentioned Customs law}. The records of those projects should prove that they perform export, and they are complying with the Customs rules related to the Temporary Admission Regime. In this case, it is satisfactory to present a pledge as per the rules and conditions clarified by that Law. The exemption range should not exceed 50% of the highest exports value for the production project throughout any of the three years preceding the pledge submission date.

(Second Article)

For production projects to use the exemption stipulated at the first article of this Decree, they must apply the following conditions:

- 1- Using this regime should be only for:
 - a- Production projects which are registered in the Industrial Record.
 - b- Companies which have been dealing with agricultural products for not less than three years preceding the submission of the exemption request, this has to be proved by submitting a copy of the license, or a certificate from the Competent Activity Supervising Agency.
- 2- No accusation record for the project or its legal representative resulting in any final ruling related to any of the Customs evasion cases stipulated in the Customs Law, throughout the three years preceding the submission of the exemption request.
- 3- The project legal representative should submit a pledge which has to be approved by the bank confirming the acceptance of his signature. This pledge has to be filled in the designated form, which has to be issued by a Decree from the Minister of Finance.
- 4- The project must either have a Taxation File, or to be tax exempted.
- 5- The projects should initiate ledgers and records for all exports, imports, processing cycles, and the actual products stocks under the Temporary Admission Regime. Those records / ledgers will be used as a reference for the competent Customs committees, and should be kept for five years.
- 6- The project should submit all the required documents proving the exports value throughout the three years preceding the request submission.
- 7- The released quantities of raw materials, intermediate products, production requirements and others, imported under the Temporary Admission Regime, should not exceed the maximum production capacity that must be indicated in a certificate issued by the project owner. The Customs Authority has got the right to perform the Post Clearance Audit to verify the above-mentioned certificate, in coordination with the concerned Authorities.

(Third Article)

Any project, when receiving a final ruling confirming the convection of the project or its legal representative in any of the Customs evasion cases stipulated in the Customs Law, will lose the privilege of exemption stipulated in this Decree for three years, as of the date of launching the ruling. The project may reuse the exemption after this period.

(Fourth Article)

The Customs Authority may initiate two records, one for the registration of production projects using the exemption stipulated in this Decree, and the other for the registration of the units which have lost this privilege.

(Fifth Article)

Any provision that might be contradictory to the provisions of this Decree should be cancelled.

(Sixth Article)

This Decree should be published at the "**Egyptian Gazette**", and should be implemented as of the day following the publishing date.

Issued at the Cabinet on July 19, 2005

The Prime Minister

Dr. Ahmed Nazeif