

## Customs Law No. 207 of 2020

In the Name of the People;  
The President of the Republic;

The House of Representatives has passed and promulgated the following Law.

### (Article 1)

The provisions of the attached Customs Law shall come into force without prejudice to the following:

1. Provisions of international agreements to which the Arab Republic of Egypt is a party, as well as provisions of agreements concerning electricity, petroleum and mining projects.
2. Customs exemptions established under other laws.
3. Provisions of Law No. 83 of 2002 on Economic Zones of a Special Nature (Special Economic Zones)
4. Provisions of the Investment Law No. 72 of 2017

### (Article 2)

The phrase "Customs Law" shall be replaced by the phrase "Presidential Decree- Law No. 186 of 1986 on the Regulation of Customs Exemptions" wherever it appears in the applicable laws, regulations and decrees.

### (Article 3)

Customs status of released goods, before the provisions of this law come into force, shall be finally settled according to the temporary release system until the customs tax thereof is determined in accordance with the effective rules at time of release of goods. This shall be applied within one year as of the provisions herein come into force.

### (Article 4)

The Minister of Finance shall issue the executive regulations of the present law and the attached law within six months from the date this law comes into force. Until such executive regulations are issued, the applicable regulations and decisions shall remain effective without prejudice to the provisions herein and the attached law.

### (Article 5)

The Customs Law No. 66 of 1963 and the Law on the Regulation of Customs Exemptions No. 186 of 1986, both promulgated by Presidential Decrees, shall be repealed, as well as any text that contradicts or conflicts with the provisions herein and the attached law.

### (Article 6)

This Law shall be published in the Official Gazette, and shall come into force the day following its publication.

This law shall bear the State Seal and shall be enforced as one of its Laws.

Issued by the Presidency of the Republic on Rabi` Al-Awal 25, 1442 AH  
(corresponding to November 11, 2020 AD)

Abdel Fattah Al- Sisi

**The Customs Law**  
**Part One**  
**Definitions**

Article (1)

In the application of the provisions of this Law, the following phrases and expressions shall have the meanings assigned thereto:

- 1- The Minister: The Minister of Finance.
- 2- The Authority: The Customs Authority.
- 3- The Customs Region: the territories and the water subject to the sovereignty of the State.
- 4- The Customs Line: the political boundaries dividing between the Arab Republic of Egypt and the adjacent countries and seashores surrounding the Republic. Nevertheless, the two banks of the Suez Canal and the shores of the lakes and passages through which this Canal passes shall be regarded as being a customs line
- 5- Scope of customs control: A part of the territories and seas, in which customs officials are authorized to exercise the powers prescribed for them by law.
- 6- Customs department: the specified area in every seaport, land port, airport or dry port, or any other place where a customs office is located and in which it is authorized to complete all or part of the customs procedures.
- 7- Customs points: temporarily or permanently points established to carry on necessary customs procedures
- 8- Carrier: The owner of the means of transport, or the person entrusted with operating or managing such means.
- 9- Shipping agent: Every natural or legal person acting on behalf of an owner, renter, or operator of the means of transport in dealing with all or part of matters related to the means of transport or goods loaded on it in the Arab Republic of Egypt.
- 10- Bill of lading: a transport contract whereby the carrier is obligated to transport the goods to a specific destination.
- 11- Manifest: The statement submitted by the carrier or the carrier's representative to the customs including a comprehensive description of the goods shipped on the various means of transport.
- 12- Goods: every natural material, animal, agricultural, industrial, or technological product or other goods listed in the customs tariff schedules.
- 13- The origin of the goods: the country of the production of goods. The rules that determine the origin of the goods if manufactured by a country other than the country of production shall be determined by a decree from the competent minister.
- 14- Source of the goods: The country from which the goods are imported.
- 15- Prohibited goods: goods that applicable laws and decisions do not allow their export, import or passage, as well as goods rejected by the competent control authorities
- 16- Bulk cargo: goods that are shipped without any cover.
- 17- Customs tariff: a schedule prepared according to the description and classification of goods including the customs tax categories determined and the general rules for their interpretation.
- 18- Customs declaration: a paper-based or electronic detailed statement of goods submitted by the concerned parties or their representatives according to the prepared forms.
- 19- Clearing Agent: Every natural or legal person authorized by the Authority to prepare, sign and submit the Customs Declaration to the Customs, and complete the procedures on behalf of the owner of the goods.
- 20- Inspection of goods: verifying the goods type, origin, source, condition, quantity, value and conformity with the Customs Declaration and the related documents.
- 21- Customs Tax: the amounts of money collected on goods when brought into or out of the country according to the customs tariff in force.
- 22- Additional tax: a tax collected at 1.5% of the unpaid Customs Tax value for each month or fraction thereof from the maturity date until the payment date.

- 23- Customs Warehouse: areas where it is authorized to store goods that are not fully cleared from all taxes and fees or where it is authorized to conduct some operations on the goods under the Authority's control and the responsibility of the licensee to use the warehouse.
- 24- Temporary Customs Storage: Designated areas authorized by the Authority within ports to store the goods under the control of the Authority until submission of the customs declaration and completion of Customs procedures.
- 25- Post-clearance audit: Measures taken by the Authority to verify the correctness and reliability of the declarations and documents by examining the books, records and business systems of customers dealing with the Authority and others in accordance with the laws and customs regulations and other relevant laws and regulations, as well as inspection of goods, if any.
- 26- Dry port: a place in any location within the country to be established by a decision of the Prime Minister in accordance with the provisions of Law No. 1 of 1996 on Dry and Specialized Ports. It is considered as the final point of departure or arrival of the goods.
- 27- Duty-free shops: The places offering and selling dutiable goods under the control of the Authority and the responsibility of the entity making use of the said places.
- 28- Free zone: a part of the State's territory that falls within its borders and is subject to its administrative authorities. Dealing within the Free Zone is in accordance with special customs and tax provisions.
- 29- The Single Window: An integrated electronic platform that provides all services related to the release of goods, including transactions taking place with the Authority, the General Authority for Export and Import Control, Port Authorities, the General Authority for Investment and Free Zones and all other concerned parties.
- 30- Advance Inquiry: A paid service provided by the Authority for its customers, enabling them to inquire in advance of some elements of customs operations or some related processes.
- 31- Royalty: An amount paid by the licensee in a customs warehouse, temporary customs storage, or duty-free shops, to the Authority against obtaining the license.
- 32- Transit Goods: Foreign goods that are brought to an Egyptian port to be shipped directly on another means of transport to a foreign country (direct transit), or that are transported according to special customs procedures under the control of the Authority via a Customs department or point with suspension of customs taxes in exchange for an acceptable Customs guarantee (indirect transit)
- 33- Smuggling: the bringing in or sending out of goods of any type from the Republic through illegitimate means without payment of all or part of the customs tax payable or in contravention of the applicable systems in connection with prohibited goods.
- 34- Multimodal transport: The transportation of goods by more than one means of transport under one transport contract and one transport document from the place of receipt of the goods in one country to the place of delivery to the consignee in another country.
- 35- Electronic tracking: The processes of tracking goods by all available electronic means.

**Part Two**  
**The Customs Authority and its employees**

**Chapter One**  
**The Customs Authority**

Article (2):

The Authority shall be responsible for customs control, completion of customs procedures necessary for clearance and release of imported, exported and transit goods. The Authority shall be responsible as well for collection of customs taxes and all other due taxes and fees, management of temporary admission and tax refund systems and application of laws, regulations and decisions related to entry, exit and transit of goods.

The Authority shall be also be responsible for customs control pertaining to the protection of intellectual property rights related to goods throughout the Customs Territory and the Customs Line. The Authority shall take all measures it deems necessary to secure and facilitate the international trade in coordination and cooperation with other competent authorities.

The Authority shall take or request from the competent authorities to take all measures it deems necessary to prevent smuggling, and shall track the imported goods that are offered for sale through electronic websites, as well as the goods transported within the country through the indirect transit system, by all available means, including electronic tracking. Special measures may be taken within the scope of customs control to control some goods by virtue of a decree of the Minister or his authorized representative.

The Executive Regulations of this Law shall determine the procedures and controls for the application of this article.

Article (3):

The marine scope of customs control shall extend from the customs line to the distance where the State exercises its sovereignty, in accordance with the international laws and agreements in force, and the Executive Regulations shall determine the scope of the land customs control in accordance with the requirements of such control.

Customs departments and points shall be established, modified or cancelled by virtue of a decree of the Minister or his authorized representative.

## **Chapter Two The Authority Employees**

Article (4):

The Authority employees whose posts are determined as per a decree to be issued by the Minister of Justice in agreement with the Minister shall have the capacity of the Judicial Police within the limits of their functions, and they may seek the assistance of the competent authorities in order to perform their duties.

Article (5)

The Authority employees having the capacity of the judicial police shall search persons, goods, means of transport, and places within the customs department.

Article (6)

The Authority employees having the capacity of the judicial police shall board the ships within the scope of customs control to be inspected and shall demand the submission of shipping lists (manifest) and other documents required as per the established rules.

In the event of refusal to present documents, lack thereof, or suspicion of the presence of smuggled goods, the necessary measures shall be taken to seize the goods and take the means of transport, whatever it is, to the nearest customs point or department, when necessary.

#### Article (7)

The Authority employees having the capacity of the judicial police shall have the right to track the goods suspected of being smuggled when leaving the customs department or the scope of customs control. In all cases, the Authority employees shall seize smuggled goods, means of transport used in smuggling and suspects of smuggling and take them to the nearest customs point or office.

#### Article (8)

Importers, exporters, clearing agents, shipping and transportation companies, offices and companies of natural and legal persons and others who are related to customs operations shall be committed to maintain and keep all papers, registers, instruments and documents connected with such operations for a period of five years starting from the date of release, and for the registers from the date of marking the termination or closing thereof. All persons possessing foreign goods and keep such goods for trading purposes shall maintain any document indicating the source of the goods.

#### (Article (9))

Without prejudice to the established laws to protect the inviolability of homes, the Authority employees having the capacity of the judicial police and by virtue of a written permission from the Chairman of the Authority or his authorized delegate, shall enter the premises of those mentioned in Article (8) herein, for the purpose of viewing papers, registers, instruments and documents related to customs operations or indicating the source of the goods. They shall also examine, conduct the post-clearance audit, and seize the goods in the event of any violation. The goods may also be physically examined - if they exist - when necessary, and the Executive Regulations shall specify the rules and procedures regulating the post clearance audit, as well as the records that shall be kept manually or electronically

Without prejudice to the provisions of part Nine herein, the due taxes and fees may be recalculated if proven that the calculation thereof was based on fraud or deceit and this shall be in compliance with the general provisions in this regard

#### Article (10)

In cases other than flagrante delicto, no investigation procedure may be taken against the Authority's employees having the capacity of the judicial police in the course of and due to carrying out their duties except upon a written request to that effect from the Minister or his authorized representative.

#### Article (11)

The Minister shall set a system or more to reward the Authority employees in light of the performance rates, the size and level of their work achievement, without being bound by any other system and after submitting the set system to the Prime Minister. A decree of the Minister may support the social and health care funds for the Authority's employees and their families, retired employees and employees in the process of retirement with a percentage not exceeding 10% of the proceeds of fines and compensation contained in Article 82 herein.

**Part Three**  
**Customs Tax and Service Charges**  
**Chapter 1**  
**Customs tax**

Article (12)

Goods entering the customs territory shall be subject to the tax prescribed in the customs tariff in addition to other prescribed taxes and duties, save the goods excepted under a special provision.

Goods leaving the customs territory shall not, however, be subject to customs tax except such goods for which a special provision is herein contained.

No goods may be released before completion of the customs procedures and payment of the customs tax and all other due taxes and duties unless otherwise is provided for in this law.

Article (13)

The rules, categories and schedules of the customs tariff, as well as the amendment and abolition thereof shall be determined by a presidential decree Such decree shall be submitted to the House of Representatives immediately after issuance and shall not come into force except after approval by the House of Representatives. If the House of Representatives is not in session, the President of the republic may call the House to convene for an emergency session to discuss the matter.

The customs tariff rules, categories and schedules and the tax categories included in bilateral or multilateral agreements and amendments to any thereof shall, starting from the time of their entry into force, apply on goods for which the customs tax has not been paid.

As to the goods prepared for export and for which amounts have been paid on account of the customs tax, other duties and charges before their entering the customs department in whole, the part of the goods that has not entered the customs department shall be subject to the tariff in force at the time of its entry.

Article (14)

The customs tax shall be paid on the goods subject to an ad valorem tax as a specified percentage of the acceptable customs value according to its condition at the time of application of the customs tariff and according to its schedules.

As to the goods subject to a specific tax in an amount specified for the variety of the goods according to the number or weight, such tax shall be paid thereon in full regardless of the condition of the goods, unless it is ascertained by the Customs Authorities that a damage has occurred to the goods as a result of a force majeure, in which case the specific tax may be reduced in proportion to the damage caused to the goods.

The license status of cars and means of transport may not be amended or changed for a period of five years from the date of release except after referring back to the Authority and paying the tax that may be due thereon.

The Executive Regulations of this Law shall define the procedures and controls for the application of the provisions of this article.

#### Article (15)

The customs tax due on machinery, equipment, devices, production lines and the relevant parts not enjoying any exemptions or deductions in the customs tariff, if imported for production projects, may be paid in installments for a period not exceeding one year, in return for paying an additional tax for each month or fraction of a month during the installment period.

Items, stipulated in the first paragraph of this Article, imported in the name or for the interest of the State national or infrastructure projects specified under a decree issued by the Prime Minister, shall be exempted from paying the additional tax referred to in the previous paragraph. The Executive Regulations herein shall determine the terms, conditions, periods and guarantees for the installment system.

### **Chapter Two Tax Base**

#### Article (16)

Subject to the provisions of international agreements to which the Arab Republic of Egypt is a party, the value to be declared for customs purposes in the case of imported goods shall be the actual value of the goods to which are added all actual costs and expenses paid in connection until the arrival at the port of destination in the Republic territories, provided that the declaration shall include the detailed elements of the goods and the value related thereto for customs purposes.

If the value of the goods is defined in foreign currency, it shall be estimated on the basis of the exchange rate as announced by the Central Bank of Egypt on the date of registering the customs declaration, or the exchange rate announced by virtue of a decree by the Minister.

The Executive Regulations of this Law shall determine the terms, conditions and rules of application of this article.

#### Article (17)

The value to be declared for customs purposes in relation to goods intended for export shall be equal to the price of the goods to which added all actual costs and expenses until arriving at the port of export on the date of registration of the customs declaration submitted. Such value shall not include any other taxes and duties, provided that the declaration includes the detailed elements of the goods and the value related thereto for customs purposes.

The Executive Regulations of this law shall determine the conditions and controls related to specifying the value of such goods

### **Chapter Three Service Charges**

#### Article (18)

Charges for Single Window Services, advance inquiry services, and the works carried out by the Authority upon request from the concerned parties in order to implement the provisions of the law during non-official working hours or outside the customs department shall be estimated at a maximum of ten thousand pounds each. The Executive Regulations shall determine conditions and procedures of advance inquiry, fees and

charges categories decided on all services provided by the Authority, as well as cases of fees reduction, prices of publications, forms and customs seals. The aforementioned charges shall not fall within the scope of customs exemptions, tax refunds or guarantees.

The sums collected under the charges account for the actual services provided by the Authority for a third party shall be deposited in a special account in the name of the Authority in the treasury single account of the Central Bank of Egypt. Disbursement from this account shall be for developing and modernizing the infrastructure and services, developing the Authority human resources, by virtue of the Minister's decree, provided that the surplus from this account shall be carried forward from year to year.

#### **Chapter Four Customs Exemptions**

##### **Article (19)**

The following shall be exempted from customs tax subject to the terms and conditions determined by the Executive Regulations:

- 1- Imports of the Ministry of Defence and related bodies, companies, units and organizations affiliated to the Ministry of Military Production, General Intelligence and the Ministry of Interior, including weapons, ammunition, equipment, means of transportation, and private passenger cars for official use at the Ministry of Defence, as well as materials, tools, machines, equipment, medical devices, and medicines in the name of the said entities or on behalf thereof. All of the aforementioned shall be for the purposes of armament, defence or security, without the inspection requirement.
- 2- Goods imported by the Presidency of the Republic for official use, as determined by the Head of the Presidential Management Staff.
- 3- Goods imported by the Ministry of Foreign Affairs for official use, as determined by the Minister of Foreign Affairs.
- 4- Goods imported by the National Defence Council for official use, as determined by the Secretary General of the National Defence Council.
- 5- Goods imported by the National Security Council for official use, as determined by the Secretary General of the National Security Council.
- 6- Goods imported by the Administrative Control Authority (ACA) for official use, as determined by ACA Chairman

##### **Article (20)**

The following shall be exempted from customs tax, on the condition of inspection, subject to the terms and conditions determined by the Executive Regulations:

- 1- Gifts, giveaways, samples and goods financed by grants received by the Council of Ministers, Ministries and the related departments, local administration units and other governmental public legal persons, judicial bodies and the House of Representatives, necessary to carry out the assigned tasks.
- 2- Personal belongings of passengers, including tourists, transients, and residents of the country upon arrival and departure.
- 3- Personal items lacking any commercial capacity, such as medals, sports and scientific awards.
- 4- Furniture, tools, personal belongings and cars that have been temporarily exported abroad and belong to persons whose original place of residence is in the Arab Republic of Egypt, provided that the in-kind nature is verified.



- 5- Goods imported from abroad without value (replacement for damaged or incomplete goods) instead of goods that were previously supplied or unaccepted for which the customs tax was collected, provided that the exemption shall be within the limits of the tax paid.
- 6- Goods that are exported abroad and then re-imported per se.
- 7- Supplies, fuel materials, gear, equipment, devices and spare parts needed for high sea vessels and aircrafts and whatever is necessary for the use of the passengers and crews on foreign voyages.
- 8- Personal belongings, tools, household furniture and cars belonging to scholarship members and scholars holding a doctorate degree or its equivalent under the scientific supervision for scholarships, whether the member is dispatched at the expense of the State, on a foreign scholarships, or at the member's personal expense upon final return after the end of studies or upon the return of the family of the scholar in the event of his death.
- 9- Personal luggage, tools and household furniture of the members of the diplomatic and consular corps of the Arab Republic of Egypt, the employees of the Ministry of Foreign Affairs working in diplomatic missions abroad, the employees of other ministries assigned to these missions, and those seconded to the United Nations and the specialized agencies, as well as Egyptians working abroad at the League of Arab States and the African Union.
- 10- Imports of Arab, foreign and multinational forces operating in Egypt within the framework of concluded agreements, joint training or manoeuvres, whether the imports are in the name of the forces or for the account thereof and are necessary for the personal use of the personnel or are necessary to perform the mission of the forces and on condition of reciprocity.
- 11- Imports of governmental and university hospitals including equipment, devices, medical supplies, medicines, blood products, vaccines, family planning methods, and baby milk imported in the name of the hospitals or for the account thereof, as per a decree of the competent minister.
- 12- Items and entities exempted by a decree of the Prime Minister upon the Minister's proposal.

In all cases, exemption from the inspection requirement may be granted at the request of the Authority and the approval of the Minister.

#### Article (21)

The following two cases shall be exempted from the customs tax and inspection on condition of reciprocity and within the limits of such requirement:

- 1- Imports for the personal use of foreign members of the diplomatic and consular corps (non-honorary) who are registered in tables issued by the Ministry of Foreign Affairs, as well as imports for their spouses and minor children.
- 2- Imports for non-honorary embassies, commissions and consulates for official use, except for foodstuffs, alcoholic beverages and tobacco.

The number of cars exempted shall be determined according to the aforementioned two clauses, with one car for personal use, five cars for the official use of the embassy or the Commission and two cars for the official use of the Consulate. The number of cars exempted may be increased upon approval of the Ministry of Foreign Affairs.

Imports for personal use including personal luggage, furniture, household appliances, and one car for foreign employees working in diplomatic or consular missions not benefiting from the exemption prescribed in Clause (1) of this Article shall also be exempted from Customs tax under the condition of reciprocity and within the limits thereof and according to the data of the Ministry of Foreign Affairs and the condition of inspecting the imports.

In all cases, the items exempted under this article shall be subject to the disposition provisions stipulated in Article (24) herein unless the reciprocity system provides otherwise.  
The Executive Regulations shall determine the controls and procedures for the application of this article.

#### Article (22)

A 5% customs tax of the value or in the categories prescribed by the customs tariff, whichever is less, shall be collected on the following imports:

- 1- Machinery, equipment, devices, production lines and the relevant parts required by the activity for the establishment of projects; in accordance with the provisions of the law of joint stock companies, companies limited by shares, and limited liability companies and one-person companies, as well as projects established in the new urban communities in accordance with the provisions of the law issued in this regard, and reclamation and cultivation projects established in desert lands by virtue you the regulating law.
- 2- Machinery, equipment and means of transportation for materials and vehicles in relation to for construction uses (except for passenger cars) required for the establishment or expansion of reconstruction projects; implemented according to the provisions of law no. 62 of 1974 on some reconstruction provisions.
- 3- Machinery, equipment and devices required for the construction and expansion of hotel projects and establishments subject to the provisions of Law Number 1 of 1973 on Hotel and Touristic Establishments.

#### Article (23)

A 5% customs tax from the relevant value shall be collected, provided that to be subject to inspection, on imported private passenger cars, with value not exceeding four hundred thousand Egyptian pounds, and cars prepared for transporting ten people or more, including the driver, required for the establishment or expansion of companies licensed to work in touristic transportation field, according to the provisions of Law 38 of 1977 on Regulating Touristic Companies and by virtue of the terms and conditions stated in the Executive Regulation; tax shall be paid fully for any amount exceeding the referred to value.

#### Article (24)

Customs exemptions shall be subject to the following provisions:

- 1- The disposition of exempted items- whether items fully or partially exempted or enjoying customs tariff deductions- by any type of disposition that transfer ownership to people or bodies other than the ones enjoying the same exemption, or the usage of the said items in purposes other than the ones stated for the exemption or deduction, shall be prohibited except after receiving the Authority approval and paying customs tax and all other due taxes and duties, according to the terms specified by the Executive Regulation.
- 2- This prohibition shall be valid for five years from the date of release. All previously exempted taxes and duties shall be collected, if the relevant items were not used as required for the purpose of exemption, unless the usage, by the exempted person for the exempted purpose, was prevented by a force majeure, compulsory incident or justified reason approved by the Minister or the Minister delegate. In this case, the prohibition period shall stop and shall be counted from the date the reason thereof no longer exists.
- 3- The release of cigarettes, cigars, tobacco, and alcoholic drinks, exempted from customs tax, by virtue of this Law or other laws and decisions, shall be prohibited, unless labelled with the distinctive mark revealing the exemption from such tax as specified by the Authority.
- 4- The phrase "means of transportation" mentioned herein shall not include passenger cars and shall not be exempted, unless stated explicitly.

- 5- The exempted bodies shall keep systematic and integral books and records, subject to the Authority control in order to ensure the usage of exempted items for the purpose of thereof, according to the terms specified by the Executive Regulation. The items exempted for armament, defence or security purposes shall be excluded therein.

The provisions of this Article shall not apply to clauses from 1 to 10 of Article (20) herein.

**Part Five  
Special Customs Systems**

**Chapter One  
Transit Goods**

Article (25)

Goods of foreign origin may be transported according to transit goods system, without taking sea route, whether such goods entered the borders to exit directly from other borders or were sent from one customs branch to another after providing a guarantee approved by the Authority.

Transit goods shall not be subject to restriction or prohibition, unless otherwise provided in laws or decisions issued therein. The carrier shall be in charge of any loss, shortage or change in goods, or damage of or tampering with seals, without prejudice to the responsibility of the goods owner.

The due customs tax and other taxes and duties shall be estimated on the date of submitting relevant guarantee thereof.

The Executive Regulation shall specify the procedures, rules and guarantees required to apply such system.

**Chapter Two  
Customs Warehouses**

Article (26)

The establishment of customs warehouses shall be licensed by a decree of the Minister or his authorized delegate. The Authority may license conducting some processes on the warehouses' goods, including allowing the transferral of goods ownership.

The Executive Regulation shall specify types of warehouses, relevant terms and conditions, processes carried and goods deposited therein, including goods requiring special storage conditions, duration of stay, guarantees for paying due taxes and duties, royalty to be paid for the Authority for the license period, and other relevant rules thereof.

Article (27)

The customs tax and all other taxes and duties, due on goods deposited in warehouses, shall be paid upon the final release of such goods, based on relevant weights, numbers, amounts, or sizes on depositing time.

The licensee using the warehouse shall pay customs tax and all other due taxes and duties for any shortage, loss, change in weights, numbers, and amounts of deposited goods. The said shall further perform fines and compensations stated in Part Nine herein.

The Customs Tax and all other taxes and duties shall not be due if the shortage, loss or change resulted from natural reasons such as evaporation, dryness or force majeure.

The Executive Regulation shall specify the percent of shortage and change in goods after referring back to competent bodies.

### **Chapter Three Temporary Storage**

#### **Article (28)**

Imported or exported goods may be stored in temporary customs storehouses until finalizing release procedures. The Executive Regulation shall specify the types of warehouses, relevant terms and conditions, processes carried and goods deposited therein, duration of stay, guarantees for paying due taxes and duties, royalty to be paid for the Authority for the license period, and other relevant rules thereof.

### **Chapter Four Free Zones**

#### **Article (29)**

The General Authority for Investment and Free Zones (GAFI) shall, prior to licensing the establishment of free zones, consult the Authority regarding the required terms and specifications. Receiving no reply from the Authority, within fifteen working days from the date of receiving the request thereof, shall be considered an approval from the Authority to continue the licencing procedures. In all cases, the Authority shall be notified with the issuance of the decision for practicing, amending or cancelling the activity in order to fulfil the customs control.

The Authority, in coordination with the General Authority for Investment and Free Zones (GAFI), shall enter the free zones, check any kind of papers, records and documents, conduct an inventory for such zones projects and finalize reconciliations to ensure soundness of balances. The Authority shall notify GAFI with the result of inventory and reconciliation, according to the procedures and arrangements of customs control specified by the Executive Regulation.

### **Chapter Five Special Economic Zones**

#### **Article (30)**

The competent body entrusted with the management and development of the zone shall notify the Authority with the license issued by the Authority for the project of special economic zone. The licensed activity may not be practiced except after the issuance of a decree from the Minister or the Minister delegate, considering the licensed area customs department.

The Authority shall review all kinds of papers, records and documents, carry out an inventory for the special economic zones, and finalize the reconciliations required on balances, according to the procedures and arrangements of customs control specified by the Executive Regulation.

## **Chapter Six Free Zones**

### **Article (31)**

The establishment of free zones shall be licensed by a decree from the Minister or his authorized delegate.

New licenses based on this system may not be issued, in other places than passenger halls in ports; or existing licenses may not be renewed during the enforcement term of this Law, unless after an approval from both Ministry of Trade and Industry and Ministry of Tourism.

The Executive Regulation shall specify the work rules of this system, goods presented and sold in free zones, duration of stay, guarantees for paying due taxes and duties, royalty to be paid for the Authority for the license period, and other relevant rules thereof.

### **Article (32)**

Customs tax and all taxes and duties due on goods released from free zones to enter the State shall be paid, according to the effective laws and decisions on the date of sale.

The body making use of the free zone shall pay the customs tax and all other taxes and duties due on shortage, loss, or change in weights, numbers, or amounts of goods in such markets, in addition to fines and compensations stipulated in Part Nine herein.

The customs tax and all other taxes and duties shall not be due in case of shortage, loss, or change resulting from natural reasons such as evaporation or dryness, based on competent bodies' decision, or as a result of force majeure.

## **Chapter Seven Temporary Admission**

### **Article (33)**

The raw materials, intermediate goods, imported components for manufacturing purposes, production and packing requirements for exported goods, and imported items for fixing or manufacturing completion purposes then re-exporting shall be temporary exempted from customs tax and other taxes and duties. The exemption shall require the importer to provide the Authority a guarantee equivalent to customs tax and other due taxes and duties; re-exporting shall take place within one year and half a year from the date of release. The Minister or his authorized delegate may, before exporting, extend such duration for additional period(s), not to exceed one year. If the period elapsed, such Customs Tax and other duties and fees including the additional tax shall be payable.

Such materials, goods and items, shall be further temporary exempted from the importing rules stipulated in laws and decisions related to importing.

The disposition of such materials, goods and items in purposes other than the ones imported therefor shall be prohibited, unless after receiving the Authority approval, fulfilling the importing rules, and paying the previously estimated taxes and duties, when payable, as well as the additional tax from the date of such materials and items entry to State until the date of payment.

The aforementioned guarantee shall be reimbursed based on the percent of manufactured items or goods transported by importers or a third party to the free zone or special economic zone, export abroad or sale to bodies enjoying full exemption from taxes and duties.

The value of partial exemption, from taxes and duties due on final product or goods stated herein, shall be refunded if the sale was made to bodies enjoying partial exemption.

If the manufacturing processes made on the aforementioned materials and items changed the specifications thereof, making it difficult to infer its in-kind nature, it shall be sufficient to have the exported products typically including the imported items per se in the manufacturing process, according to the decision of the competent body specified by the Minister of Trade and Industry. The said competent body shall specify the percent of industry wastes, and if such has a value.

The Executive Regulation shall specify the rules and procedures regulating temporary admission and the aforementioned systems of guarantee reimbursement.

## **Chapter Eight Temporary Release**

### **Article (34)**

Temporary release of goods may take place and payment of customs tax and other taxes and duties payable may be suspended, after submitting one of the guarantees specified by the Executive Regulation.

Regarding the temporary release of machinery, equipment, devices, containers, and means of transportation, except for passenger cars and yachts, for work or rent inside the State, a 2% customs tax shall be collected from the customs tax payable on the temporary release date, for each month or part of a month, with a maximum of 20% annually, for the whole period of presence inside the State until being re-exported abroad or final release. It shall be sufficient to submit a pledge from the competent minister or Head of Authority, if the said were delivered for ministries, public legal persons, and public sector and public enterprise sector companies to work in national projects specified by a decree from Prime Minister.

A 1% customs tax shall be collected from the specified customs tax on the temporary release date, for each month or part of a month, with a maximum of 10% annually, for equipment, new and renewable energy components and relevant spare parts thereof.

The Executive Regulation shall specify the equivalent for suspending the payment of tax on passenger cars and yachts with an amount not more than 5% from the tax value, for each month or part of a month. It shall further specify the cases, guarantees, periods, terms and conditions required for the application of this system.

In all cases, an amount shall be deducted from the customs tax equivalent to the percent paid for the month of final release.

### **Article (35)**

The goods referred to in Articles (33) and (34) herein shall be subject to the effective tax on the manifest date of registration with regard to temporary admission or temporary release system. In all cases, such goods shall not be finally released, unless after fulfilling the specified importing rules.

## **Chapter Nine Tax Refund**

### **Article (36)**

The customs tax and other taxes and duties previously collected on imported materials and items used in manufacturing local products exported abroad, transported to a free zone or special economic zone, or sold to bodies enjoying full exemption from such taxes and duties during one year and a half from the date of release shall be refunded. The Minister or Minister delegate may, before the finalization of exporting, extend such period for another year.

The amount equivalent to the partial exemption of customs tax and other taxes and duties shall be refunded, if the sale was made to bodies enjoying partial exemption.

In case of transporting the aforementioned goods to customs warehouses, taxes and duties shall not be refunded except after re-exporting.

If the manufacturing processes made on the aforementioned materials and items changed the specifications thereof, making it difficult to infer its in-kind nature, it shall be sufficient to have the exported products typically including the imported items per se in the manufacturing process, according to the decision of the competent body. The said competent body shall specify the percent of industry wastes.

The Executive Regulation shall specify the rules, terms, and controls regulating tax refund.

### **Article (37)**

The customs tax and other taxes and duties previously collected upon exporting imported foreign goods, lacking similar local products, shall be refunded, provided that to ensure the in-kind nature thereof and to export within a year from the date of paying the relevant tax.

The customs tax and other taxes and duties previously collected upon exporting equipment, gear, or goods previously imported and totally refused for any reason whatsoever, shall be refunded, provided that to be exported within a year from the date of paying the relevant tax.

The Executive Regulation of this Law shall specify the controls for the application of this Article.

### **Article (38)**

The customs tax previously collected upon exporting local goods and materials, shall be refunded, if re-imported in its condition from abroad or withdrawn from a free zone or special economic zone, taking into consideration the terms and conditions specified by the Executive Regulation.

**Part Six**  
**Customs Procedures**

**Chapter One**  
**Advance Clearance**

Article (39)

The importer or importer agent shall submit the goods documents to the Authority prior to being shipped in order to be marked with a preliminary custom registration number. The said shall further notify the carrier with such number to be included in the goods shipping documents.

The carrier, captains of ships, pilots and drivers of other means of transportation or shipping agents or relevant representatives shall include the said number in the shipping documents of goods entering the State. If the said number was not included in the shipping documents, such goods shall be re-shipped outside the State, without being unloaded inside the Egyptian ports and outlets, on the expense of carrier or relevant representative.

The importer or importer agent may conduct the procedures of advance customs clearance and pay the preliminary estimated taxes and duties before the said goods arrival to the lands of Egypt. The final settlement shall be made after the goods arrival, according to the effective customs tariff at the time of release.

All of the abovementioned shall be applied, according to the terms, controls and procedures specified by the Executive Regulation.

**Chapter Two**  
**Goods Transportation**

Article (40)

Ships with load less than two hundred freight ton may not- without a prior permission from the Authority- transport to or from Egypt prohibited goods or subject to heavy taxes, roam or change route inside customs control scope, unless in circumstances resulting from force majeure or maritime emergencies stated by the Authority, in coordination with concerned bodies.

The captains, in such cases, shall submit a related report to the nearest customs department or point within twelve hours from the ship docking.

The Executive Regulation shall specify the types of goods subject to heavy taxes.

Article (41)

Marine or river transport competent bodies may not license ships to dock in ports other than the ones prepared thereof or Suez Canal, its lakes, passages, or River Nile, without prior permission from the Authority, unless in circumstances resulting from force majeure or maritime emergencies, in coordination with concerned ministries and organizations. The captains, in such cases, shall submit a related report to the nearest customs department or point within twelve hours from the ship docking.

The Executive Regulation of this Law shall specify cases and conditions under which goods may be shipped, unloaded or transported from all means of sea or river transport.



#### Article (42)

The Civil Aviation Authority may license planes to take off from and land in airports other than the ones having customs department or point, or unload all or part of its cargo, unless in a case of force majeure or air emergency. Pilots, in such cases, shall submit a related report to the nearest customs department or point within twelve hours from landing.

The Executive Regulation shall specify the cases and terms of shipping, unloading, or transporting goods from planes.

#### Article (43)

The goods received by land or railroad shall be presented to the nearest customs department or point on the borders. The goods owners or escorts shall follow the road or route leading directly to the aforementioned office or point.

The Executive Regulation shall specify the terms of shipping, unloading or transporting goods by means of land or railroad transportation.

#### Article (44)

The goods imported and exported via post shall be approved based on international postal agreements. The Post Authority or any company licensed to practice the said activity shall present postal packages, goods and files to the Authority to take the procedures specified in this regard.

#### Article (45)

A register for the Authority customers shall be established, recording the Authority customers other than the ones importing goods for personal use. The completion of customs procedures or releasing imported or exported goods shall be conditioned with being recorded in the aforementioned register. The Executive Regulation shall specify the registration procedures and terms, and cases of stopping and cancelling registration and appealing against the decisions issued in this regard.

### **Chapter Three The Manifest**

#### Article (46)

All goods, transported by sea, land or air, shall be registered in the general and only manifest for the means of transportation cargo.

This manifest shall be signed by the means of transportation captain (driver/pilot) or shipping agent. It shall state the means of transportation name and nationality, and types of goods, in its real names, amounts, number of packages, marks, numbers of containers, and name of shipper, consignee and ports of shipment. The Executive Regulation shall specify the other procedures, controls and data.

The carrier or the carrier representative shall not ship goods other than personal items for importers not recorded in the Authority customers' register.

Taking into consideration the provisions of Article (66) herein, the carrier or the carrier representative shall re-ship prohibited goods outside the State or destroy such goods, as the case may be, on the said expense. This shall take place in case of the invalidity of submitted data and the concerned party non-application to complete customs procedures. Such goods shall be destroyed in coordination with competent bodies.

All of the abovementioned shall be made according to the procedures, controls, and periods specified by the Executive Regulation.

#### Article (47)

The carrier, captains, pilots and drivers of any other means of transportation, or the said shipping agents or representatives shall submit to the Authority, manually or electronically, and prior to the arrival of the means of transportation with forty eight hours at least, the information, documents and manifests of shipped goods thereof, to the ports inside the State, clarifying the required data. The said shall also submit general manifest of the means of transportation cargo, statements signed thereof with the names of passengers, supplies and all crew requirements of the means of transportation subject to customs tax.

The tobacco and alcohols exceeding the consumption required by the means of transportation crew shall be deposited, at docking or stopping, in a special closed store sealed by the competent customs seal.

These data may be amended and annexes for manifests may be submitted according to the conditions, periods and procedures specified by the Executive Regulation.

#### Article (48)

The ships, planes and different means of transportation may not exit Egypt ports, shipped or empty, unless with the Authority approval and after submitting the manifest.

#### Article (49)

The captains, pilots and drivers of any other means of transportation, or the said shipping agents or representatives shall ensure unloading goods equivalent to relevant amounts, number of packages and content included in manifest until full delivery to stores, warehouses or concerned people.

The people referred to in the first paragraph of this Article shall not be violating the said commitments in any of the following cases:

- 1- If the incomplete goods or packages were not originally not from the port of shipment;
- 2- If the goods or packages were shipped, yet were not unloaded in the State or unloaded outside the State;
- 3- If the packages were delivered apparently sound, and likely seem to be incomplete prior to shipment;
- 4- If the containers were delivered with sound seals and numbers matching the bill of lading;
- 5- If the ship wards include bulk cargo sealed with sound seals and numbers matching the bill of lading.

The shortage in the two cases mentioned in clauses (1) and (2) of the second paragraph from this Article shall be justified with documents accepted by the Authority within a period not exceeding one month from discovering the shortage.

The Executive Regulation shall specify the percent tolerated in the bulk cargo increase or shortage, as well as the partial shortage in goods emerging from natural factors or resulting from poor covers and leakage of content. The Authority may refer to competent or expert bodies' opinion, when necessary.

## **Chapter Four Customs Declaration**

### Article (50)

The goods owner or relevant clearing agent shall submit a customs declaration for the goods entering to or exiting from the State even if exempted from customs tax. The Executive Regulation shall specify the customs declaration forms, annexes, rules of amending relevant clarifications, terms of submittal, validity and cases of being waived.

The party signing the declaration shall be the one in charge of the soundness of information included therein without prejudice to the responsibility of the goods owner.

The bearer of goods delivery permit shall be a deputy for the goods owner in completing the release procedures, without responsibility on the Authority regarding such delivery.

The Authority may accept the incomplete customs data, if included sufficient details accepted by the Authority together with submitting the required guarantee prior to the release as specified by the Executive Regulation.

## **Chapter Five Clearing Agents**

### Article (51)

Conducting Customs clearance process for goods belonging to third parties shall not be allowed except after obtaining a license from the Authority. The duration of the license shall be two years, subject to renewal, and the license shall expire if not renewed before the end of its term. The executive regulations shall determine the controls, conditions, forms and rules for the application of the provisions of this article.

The authority may issue permits for the clearing agent assistants as per the categories, the conditions and controls prescribed by the Executive Regulations.

### Article (52)

Without prejudice to the legal positions of clearing agents previously authorized to practice the profession prior to the application of the provisions of this law. The following conditions shall apply to the ones practicing the profession of customs clearance on goods in accordance with the provisions of Article (51) herein:

1. Have the Egyptian nationality
2. Hold a University Degree
3. Performed or exempted from the military service
4. Not less than 21 years old.
5. Not to be previously dismissed from serving in government or public bodies, or his name was previously removed from the list of clearing agents due to a breach of honour or trust.
6. Not to be previously sentenced in a felony or misdemeanour involving breach of honour or trust, or previously sentenced in one of the crimes of smuggling or tax evasion, unless rehabilitated.
7. Not to be working in any of the government agencies or institutions, public bodies, the public sector, or the public enterprise sector. For any person who previously worked in the Authority, a three-year period should have passed on leaving the Authority.
8. Attend training courses prepared by the Authority and successfully pass the eligibility examination to practice the profession at the end of the training. Former employees of the authority who have higher

qualifications shall be exempted from attending training courses provided they pass the aforementioned examination.

9. Complete a six-month probation period, with the exception of former employees of the Authority who had the capacity of the judicial police.
10. Have an independent office in the Arab Republic of Egypt.
11. Submit a tax card.

Legal persons may be licensed to practice the profession of customs clearance under the following conditions:

- 1- Submitting the commercial register.
- 2- The company should have an independent headquarters.
- 3- Only those who meet the conditions for practicing the profession stipulated in the first paragraph of this Article shall practice clearance operations.

The legal representative of the legal person, in addition to the other conditions stipulated in the law, must not have been sentenced for any of the crimes stipulated herein, unless rehabilitated.

#### Article (53)

Every customs clearance office shall deposit a cash insurance at the Authority of fifty thousand pounds. For legal persons licensed to practice the profession of customs clearance, the cash insurance shall amount to one hundred thousand pounds, from which the Authority may deduct in fulfillment of due fines and compensation from the office or the legal person for the violations they commit or the clearing agents thereof, provided that the insurance be supplemented with the value of the fines or compensation deducted.

#### Article (54)

The clearing agent shall keep a special record with a serial number, stamped with the seal of the Authority, in which the goods that he clears are recorded on. The agent shall present the record to the Authority for review upon the Authority's request. The clearing agent shall keep this record and the supporting documents for a period of five years.

#### Article (55)

Ministries, government agencies, public bodies, local administration units and other public legal persons, public sector companies, the public business sector and other companies, embassies and consulates may carry out the customs clearance procedures for the goods thereof by their employees based on written authorization, after the employees pass the training courses prepared by the Authority.

#### Article (56)

Disciplinary committees shall be formed in customs departments to hold clearing agents accountable for violating the provisions of this law. Such committees shall be chaired by a head of central administration chosen by the chairman of the Authority or his authorized delegate, and with the membership of each of:

- 1- The competent general manager of legal affairs.
- 2- A representative of the clearing agents selected by the concerned parties' division.

The committee shall issue the decisions by the majority of opinions and such decisions must be reasoned.

Disciplinary penalties that may be imposed are as follows:

- 1- Warning.
- 2- Suspension for a period not exceeding one year for the first violation, and the penalty will be doubled in the event of another violation within two years from the date of the previous violation.
- 3- Cancellation of the license.

The chairman of the Authority, in the event that a clearing agent commits offenses of criminal suspicion, shall suspend the license granted to such agent until the committee issues its decision.

#### Article (57)

The clearing agent may appeal the decision of the disciplinary committee stipulated in the previous article within thirty days from the date of his knowledge of the decision.

A supreme grievance committee shall be established in the Authority, headed by the chairman of the Authority and with the membership of a representative of the Authority at a job level no less than the head of a central administration and a delegate of the clearing agents chosen by the competent customs clearance division, provided that he was not previously penalized. In all cases, the delegate shall not be among the committee members participating in the committee deciding the aggrieved penalty.

The committee shall decide on the grievances submitted by the clearing agents against the decisions of the disciplinary committee within a period not exceeding fifteen days from the date of submitting the grievance.

The committee shall issue the reasoned decisions by majority of opinions, and such decisions shall be enforceable.

### **Chapter six Inspection and withdrawal of goods**

#### Article (58)

If the import or export of goods is subject to restrictions from any competent authority, the goods shall not be allowed to enter or exit unless after fulfilling the required conditions.

#### Article (59)

The Authority shall inspect all or part of the goods to ensure conformity with the customs declaration and attachments thereof, to confirm the type, value, origin and condition of the goods, and may not inspect the goods., The inspection shall take place at the customs department. The inspection may be conducted outside the customs department at the request of the concerned parties or the agents thereof and at the expense of the parties and for reasons acceptable to the Authority. In all cases, the Authority may re-inspect the goods as long as they are under the control thereof and have not been finally released. All the aforementioned shall be determined as per the executive regulations.

#### Article (60)

Parcels and containers may not be opened for inspection except in the presence of the concerned parties or the agents thereof. Nevertheless, Parcels and containers may be opened in the absence of the concerned parties by virtue of a written permission from the competent Director General of the Customs or the deputy thereof. Such action shall be taken upon suspicion of smuggled goods after the lapse of five working days from the date of notifying the parties by a registered letter accompanied by acknowledgment of arrival or any electronic means

that has legal validity. A report to this effect shall be drawn up by the committee which shall be set up for the purpose.

Nevertheless, as per a decree to be issued by the Director General of the Customs in case of necessity, the committee set for this purpose may open the parcels or containers in the absence of the concerned parties for inspection and verification.

#### Article (61)

The Authority and the owners of the goods or the agents thereof may, after submitting the customs declaration, request to conduct analysis of part of the goods to verify their type, specifications, or their conformity with the regulatory systems, at the expense of the owners of the goods.

The Authority and the owners of the goods or the agents thereof may object to the results of the analysis and request to repeat the analysis at the expense of the owners in the officially approved laboratories, unless the goods are among the items that the analysis results thereof shall be affected by the lapse of time and in such a case the result of the analysis shall be final.

The executive regulations shall determine the conditions and rules as regards the application of the provision of this article.

#### Article (62)

The competent regulatory authorities shall destroy the rejected goods inside or outside the customs department in the presence of a representative of the Authority, the owner of the goods or the agent thereof. If the owner of the goods or the agent thereof fails to attend, a report shall be drawn up, and in all cases the destruction of rejected goods shall be at the expense of the owner of the goods.

If the regulatory authorities decide not to destroy such goods for any reason in the public interest, the owner of the goods shall re-export the goods.

The executive regulations shall define the rules and procedures for the destruction or re-exportation of goods, the periods within such process shall be completed, as well as the cases of tax refunds previously paid on the goods after deducting due taxes and fees thereon.

### **Chapter Seven** **Grievances and settlement of customs disputes**

#### Article (63)

The concerned party may raise grievance about the determination of type of the goods, origin or value thereof. Committees within the Authority shall be formed to consider grievances, by virtue of a decree of the Minister or his authorized delegate. The committees shall be headed by one of the Authority's employees, at least a general manager, and two members of the Authority's employees may attend. The concerned party or the representative thereof may attend before the committee. The committee shall decide on the grievance within seven working days from the date of submission with a reasoned decision. If the person concerned accepts the committee's decision, within seven days of being notified, a report shall be drawn up and the Authority shall be committed to implementing the decision.

The executive regulations shall define the rules and procedures for the work of these committees.

#### Article (64)

Subject to the provisions of Law No. 27 of 1994 on Arbitration in Civil and Commercial Matters, if the dispute continues between the Authority and the concerned party, and the latter or the representative thereof requests to refer the dispute to arbitration and the Minister or the delegate thereof approves, the dispute shall be referred to an arbitration board headed by a member of the judicial authorities or bodies of a counsellor degree at least, or one of the professors from the faculties of law enrolled in the arbitration table at the Ministry of Justice, and the membership of an arbitrator on behalf of the Authority chosen by the Minister or his delegate, and an arbitrator chosen by the concerned party.

The arbitration board shall issue a reasoned decision by the majority of opinions including a decision on determining the bearer of the arbitration costs. The decision of the committee shall be final and binding on the parties and shall not be subject to appeal except in the cases stipulated in the Arbitration law in civil and commercial matters referred to.

The executive regulations of this Law shall determine the expenses, rules and working procedures before the arbitration boards and the rewards given to the members thereof.

#### Article (65)

A grievance or arbitration procedure in accordance with Articles 63 and 64 herein shall be carried out provided that the goods must remain under the control of the Authority except in the cases and according to conditions determined by the executive regulations.

### **Part Eight Selling of Goods**

#### Article (66)

The Authority shall sell the following:

- 1- Goods passed to the customs authority as a result of conciliation, confiscation, or assignment.
- 2- Goods deposited in warehouses if the owners did not release, re-export, or transport such goods to a free zone, free market, or a special economic zone, from the depositing expiry date specified by the executive regulations.
- 3- Goods deposited in customs temporary warehouses or on port platforms/quays if remaining for a period exceeding the period stipulated in executive regulations.  
In the event that the goods are perishable or subject to decrease, such goods may not be held at the customs except for the period permitted by the condition thereof. If the goods are not withdrawn before the end of this period at a suitable time as per the estimation of the competent customs department, a report shall be drawn up to prove their condition and the customs department shall sell the goods directly.
- 4- Abandoned goods with unidentified owners or unclaimed for a period of one month.
- 5- Assets of cancelled projects from economic zones of a special nature, and free zones without prejudice to Article (38) of the Investment Law promulgated by Law No. 72 of 2017.

#### Article (67)

Prior to a judgment being delivered by the court or a decree being issued by the competent authority, as the case may be, the Authority shall have the right to sell the goods and objects which are perishable and liable to leakage or decrease as well as the animals kept with the customs as a result of a dispute or seizure.

Sale shall be conducted after a report on the circumstances justifying the sale being drawn up by the competent official at the Authority.

If, after the sale, a pronouncement is passed for returning the goods or the objects referred to or the animals to their owner, the balance of the price shall be paid to him after deduction of all expenses.

If, after the sale, a judgement of acquittal is given or a final ruling is passed for returning the goods to the owners thereof, or a decree is issued to that effect by the competent authority, the remainder of the sale price shall be refunded after deducting the sums stipulated in Article (69) herein.

#### Article (68)

The sales provided for in the preceding articles shall be conducted according to the terms, conditions and controls specified by the executive regulations. The goods shall be sold after payment of the customs tax and other taxes, duties and amounts determined for the public treasury after fulfilling the regulatory restrictions and the goods shall be exempted from import restrictions.

The prohibited goods shall be sold on condition of re-exportation, after the approval of the competent authority.

#### Article (69)

The proceeds of sale shall be distributed according to the following order:

1. Selling costs and expenses of whatever type spent by the Authority.
2. Customs Tax.
3. Taxes, fees and other amounts due to the public treasury.
4. Storage charges.
5. Transportation fare (freight)

The remainder of the sale price shall be deposited in trust in the Authority treasury, and the owner of the goods shall claim such remainder within five years from the date of sale.

As for prohibited goods, the remainder of the sale price shall become a right to the public treasury.

#### Article (70)

If the goods stipulated in Clauses (2) and (3) of Article (66) herein are offered for sale at least twice within three months, and the owners thereof have not withdrawn the goods within the next three months from the date of the last offer for sale, the owners shall be deemed to have relinquished the goods with the intent of waiving the ownership to the State provided that the owners have been notified thereof by a registered letter accompanied by acknowledgment of receipt or by any legal electronic means with the lapse of thirty days from the date of such notification.

The Authority may dispose of the goods referred to in the preceding paragraph to government agencies, public legal persons, or associations of public benefit, free of charge, or against an agreed charge, in accordance with the rules and procedures for which a decree shall be issued by the Minister after approval of the concerned authorities.

In such a case, the goods relinquished or disposed of shall be exempted from customs tax, value-added tax, taxes, fees and other amounts prescribed for the public treasury.

Such goods shall be also exempted from import restrictions stipulated in laws and decrees pertaining to Import.



The executive regulations shall determine the rules, conditions and procedures for the application of the provisions of this article.

## **Part Nine Offences and Penalties**

### Article (71)

Without prejudice to any stricter penalty stipulated in any other law, the captains of ships or the captains of aircrafts and other means of transport or the representatives thereof shall be penalized with a fine of thirty thousand pounds if they committed any of the following acts:

- 1- Failure to submit the manifest, the annexes thereof, or declarations stipulated in Articles (46) and (47) of this law, or delay of submission by the specified date.
- 2- Omission of what shall be included in the manifest or inclusion of an incorrect declaration therein.
- 3- Vessels of less than two hundred marine tons transporting prohibited goods or goods subject to exorbitant taxes, or rambling or changing the course thereof within the scope of customs control, unless in the circumstances resulting from a force majeure or marine emergency.
- 4- Docking ships in places other than the designated ports, or in the Suez Canal, lakes, or passages thereof, or in the Nile two estuaries without prior permission from the competent customs department, unless in the circumstances resulting from a force majeure or a marine emergency.
- 5- Landing aircrafts at airports other than those equipped with customs departments, except in cases of force majeure or a sudden accident.
- 6- Departure of ships, aircrafts or other means of transport from the customs department without approval from the Authority.
- 7- Unloading the goods inside the customs department in places other than the designated areas.
- 8- Loading or unloading goods within the customs department without the approval of the Authority and the presence of the employees thereof.

### Article (72)

Without prejudice to any stricter penalty stipulated in any other law, a fine of ten thousand pounds shall be imposed on whoever commits one of the following acts:

- 1- Inclusion of incorrect data in the customs declaration if such action shall not result in the loss of customs tax.
- 2- Failure of clearing agents, their assistants, or licenced deputies to follow the customs regulations that define their functions, without prejudice to disciplinary responsibility.
- 3- Failure to maintain the seals affixed to the parcels, containers, or other means of transport without leading to a decrease or change in the goods.
- 4- Preventing the customs officials from carrying out the duties thereof and exercise the right to inspect, request documents and review thereof inside the customs department.
- 5- Violating the established customs rules and procedures if the customs tax liable to loss does not exceed thirty thousand pounds.

### Article (73)

Any person causing, by negligence, the unjustified decrease of goods than what is included in the manifest, regardless of the customs release system, shall be penalized with a fine equivalent to half of the customs tax liable to loss, in addition to the due taxes and fees.

In the event of the unjustified increase in the goods, as well as the increase that appears upon the inventory of temporary stores, warehouses, free zones, special economic zones, or free markets without being listed in the records, the person responsible for such act shall be penalized with a fine equivalent to half of the customs tax determined on the excess goods.

#### Article (74)

Any one committing any of the following acts shall be penalized with a fine equivalent to the customs tax liable to loss:

- 1- Submission of incorrect data about the kind or origin of the goods.
- 2- Violation of customs controls and procedures established in relation to transit goods, warehouses, free zones, economic zones of a special nature, free markets, temporary permits, temporary release, exemptions or other special customs regulations.

A fine equal to half of the customs tax liable to loss shall also be imposed in the event of submission of data on the value of goods for customs purposes in such a way that shall decrease the customs tax by more than 20%, provided that the Authority shall adhere to the agreement regarding the value of goods for customs purposes.

#### Article (75)

Any one violated the provisions of Article (8) and clauses 2 and 5 of Article (24) herein, or refrained from submitting the documents included in the aforementioned articles shall be penalized with a fine equivalent to the customs tax.

Should it not be possible to conduct post-clearance audit to prevent the person concerned from executing the permission referred to in Article (9) herein, a fine of twenty thousand pounds shall be imposed, at every abstention unless there shall be justifiable reasons acceptable to the Authority.

#### Article (76)

The fine stipulated in the preceding articles shall be imposed by virtue of a criminal order, in accordance with the procedures stipulated in the Criminal Procedure Law, upon a written request from the chairman of the Authority or his authorized delegate.

The legal person shall be jointly liable with the violator to pay the fine penalty, if the violation was committed in the name or on behalf thereof.

The chairman of the Authority or his authorized delegate may reconcile in the violations stipulated in Articles (71), (72), (73), (74) and (75) herein before referring to the Public Prosecution in exchange for payment of half of the fines stipulated in those articles, and in return for paying the full amount of the fine after the referral and before the issuance of the final criminal order, and the reconciliation shall result in the lapse of the criminal proceedings.

In all cases, the goods shall be a guarantee, if any, for the settlement of the fines in the event of a violation by the owner or the representative thereof.

## Article (77)

The following acts shall be regarded as smuggling:

- 1- Passengers concealing goods they possess from the Authority's employees when leaving the customs department or entering thereto with the intention of trading in such goods in accordance with the established controls and rules.
- 2- Unloading goods in ports other than such designated for such purpose without the approval of the Authority, or dumping the goods from ships or the like within the scope of marine control or in the Suez Canal or the lakes or passages thereof or in the two estuaries of the Nile.
- 3- Unloading goods from aircrafts at airports other than such designated for such purpose without the approval of the Authority, or dropping the goods from the aircrafts during air transport.
- 4- Unjustified loss of transit goods or goods deposited in customs departments, warehouses, temporary warehouses, free markets, free zones or economic zones of a special nature, or the decrease or exchange thereof.
- 5- Concealment of goods or attempting to release such goods out of the customs department or free zones without taking the procedures prescribed.
- 6- Submission of false or fabricated documents or invoices.
- 7- Concealing, obscuring, removing or erasing the distinctive signs of the goods or placing false marks thereon or the covers thereof.
- 8- Possession of foreign goods for trading purposes with the knowledge that they are smuggled, or in violation of the regulations in force regarding prohibited goods.
- 9- Disposition transferring ownership of the goods released according to a special customs regulation, or such goods released and are wholly or partially exempted and prohibited from being disposed of according to the laws in force, without the approval of the Authority, payment of taxes and fees due and fulfillment of import conditions.
- 10- Disposing of rejected goods in violation of the applicable regulations regarding prohibited goods.
- 11- Possession of cigarettes, cigars, tobacco and alcoholic beverages exempted from customs tax with the intention of selling or offering for sale by any means or the presence of such goods in public shops.
- 12- Fictitious export of goods with the intention of refunding the customs tax and other taxes or guarantees provided thereon.
- 13- Manipulating the samples of goods in the custody of customs for the purpose of refunding the customs tax or other taxes or guarantees previously paid.

Any other act with the purpose of evading the due customs tax, wholly or partially, or in contravention of the regulations in force concerning the prohibited goods shall be deemed as smuggling.

The failure to seize the goods shall not preclude from proving that smuggling has taken place

## Article (78)

Subject to any stricter penalty prescribed by any other law, whoever perpetrates the crime of smuggling shall be liable to a penalty of imprisonment and a fine not less than ten thousand pounds and not exceeding one hundred thousand pounds, or either penalty.

If the smuggling goods is perpetrated for trade purposes, then the penalty to be inflicted shall be an imprisonment term not less than three years and not exceeding five years, and a fine not less than twenty-five thousand pounds and not exceeding two hundred and fifty thousand pounds, or either penalty.

In all cases, the perpetrators, partners and representatives of the legal persons responsible for the actual administration in whose favour the crime was committed jointly, shall be sentenced to pay a compensation

equivalent to double the due customs tax evaded. If the goods, subject of the crime are of the prohibited kinds, the penalty shall be imprisonment for a period of no less than two years and not exceeding five years, and a compensation equivalent to twice the value of the goods or twice the tax due, whichever is greater. In such a case, a judgment shall be passed with the confiscation of the smuggled goods, and if they are not seized, a judgment shall be issued with the payment of an amount equivalent to the value of the goods.

The court may order the confiscation of the seized goods if they are not prohibited goods, as well as the means of transport, tools and materials used in smuggling, with the exception of ships and aircraft unless they were prepared or leased with the knowledge of the owners of such purpose.

The compensation shall be doubled in the previous cases, if the accused had previously committed another crime of smuggling during the previous five years and a final judgment of conviction was issued, or reconciliation was made.

The ruling to payment of compensation and confiscation of goods shall not preclude the stricter penalty with regard to the crimes committed in association with smuggling. Smuggling actions, when referred to the court, shall be heard expeditiously.

In any event, the offense of customs smuggling shall be deemed a crime involving violation of honour and trust.

#### Article (79)

Without prejudice to any stricter penalty stipulated in any other law, the provisions of the second, third, fourth, fifth, sixth and seventh paragraphs of Article (78) herein shall apply to whoever refunds or proceeds to refund by fraud or forgery the customs tax or other taxes or amounts paid to the account thereof, or all or some of the guarantees submitted in their respect. The compensation shall be equivalent to the double the amount as the subject of the crime.

#### Article (80)

The Public Prosecution or the competent court, as the case may be, upon a written request from the Minister or the chairman of the Authority with the authorization of the Minister, may order the suspension of the person accused of committing the customs smuggling crime from dealing with the Authority until a final judgment is issued in the case.

Dealing with anyone convicted with a final judgement in one of the crimes referred to herein shall be suspended until the sentence is executed or the criminal case ends by conciliation.

#### Article (81)

A criminal case for smuggling crimes shall not be filed except upon a written request from the Minister or the authorized representative thereof.

The Minister or whomever he delegates may reconcile in smuggling crimes until sixty days after the issuance of a final judgment in exchange for paying the full amount of compensation.

The seized goods shall be returned after the payment of the customs tax and all other due taxes and fees, unless they are prohibited goods, then they shall be re-exported with the knowledge of the concerned person or destroyed at the expense thereof in accordance with the decision of the competent regulatory authority.

The means of transport, tools and materials used in smuggling shall also be returned.

Reconciliation shall result in the lapse of criminal proceedings and all sentence- related effects, as the case may be. The Public Prosecution shall decide the suspension of the criminal penalty execution if the reconciliation takes place during such execution.

#### Article (82)

The proceeds of the fines and compensation decided or collected in accordance with the provisions of this law shall be passed to the public treasury, and the goods subject to the crime, means of transport, tools and materials used in smuggling shall guarantee the fulfillment of fines and compensation in the event of the occurrence of the crime from their owner or the owners' representative.

The goods referred to in the preceding paragraph may be released after payment of the customs tax value and all other taxes and fees. The due fines and compensation shall be paid in trust, unless they are subject to confiscation or required as evidence of the crime.

A percentage of the proceeds referred to in the first paragraph of this article shall be allocated by a decree of the Minister, and not exceeding 10% of the proceeds to be distributed to the informers and the persons detecting the crime of customs smuggling or who assisted them in discovering or detecting the crime or in completing the procedures related thereto.

### **Part Ten Final Provisions**

#### Article (83)

Secured information and data may be exchanged/shared electronically between the Authority and the State authorities or external parties that have concluded an approved agreement or protocol to that effect with the Arab Republic of Egypt.

The Authority customers may submit data and documents and share such data and information through the approved electronic methods without prejudice to the electronic signature law.

The Authority shall keep copies of customs declarations, documents and records using secure and approved electronic methods. Such copies shall have the original authenticity of proof.

The executive regulations shall specify the conditions, rules and controls for exchanging data and information, and the prescribed periods to keep the said.

#### Article (84)

In the application of the provisions of this law, the Authority shall be obligated to implement the set risk management system. Such system shall include all the procedures that enable the Authority to obtain the prior information necessary to determine the risks to deal with the movements of goods during importing, exporting or in transit, in order to determine the customs procedures to be followed, in accordance with the terms and conditions specified by the executive regulations.

#### Article (85)

Amounts of customs tax, other taxes, fees and other sums owed to the public treasury, in accordance with the provisions of this law, shall surpass all indebted or payable funds. Such amounts shall be paid before any other right whether prerogative or guaranteed by subsequent in-kind right, except for judicial expenses.

#### Article (86)

The debts owed to the Authority may be waived by virtue of a decree of the Minister, upon the proposal of the chairman of the Authority in application of the provisions of this law in the following cases:

- If the debtor was declared with a final judgment of bankruptcy and the bankruptcy case is closed.
- If the debtor was declared with a final judgment of insolvency and it is found that there are no funds for payment.
- If the debtor dies without a legacy.
- The meager debts that have been outstanding for more than three years determined by a committee formed by a decree of the Minister.

In all cases, the debt write-off decision shall be withdrawn if found based on deceit or fraud.

#### Article (87)

Goods contracted with the electronic commerce system shall be subject to the rules, terms and conditions contained in this law and the executive regulations thereof.

#### Article (88)

All governmental and non-governmental bodies related to customs operations shall coordinate, ensure electronic linkage and exchange information with the Authority within the framework of implementing the customs single window system.

The Authority shall also notify the relevant government agencies and the banking sector, through the electronic networking system, with a list of the names of customs evaders against whom final convictions have been issued.

The Executive regulations shall specify all the aforementioned.

#### Article (89)

Goods may be transported using different modes of transport, and the transport operator shall bear the responsibility of the goods until they reach the final destination in accordance with what is stated in the bill of lading. The executive regulations shall specify the customs rules and procedures for the goods received in the multimodal transport system.

#### Article (90)

The Authority may authorize the work of the approved economic operator system as a party to the international trade chain, whether a producer, exporter, importer, broker, transporter, shipper or warehouse in coordination with the relevant concerned authorities. The executive regulations shall specify the conditions necessary for the license to operate in this system, as well as the advantages enjoyed by the licensed operator in order to facilitate the release of his incoming and outgoing shipments.

Article (91)

The Executive Regulations shall specify the customs procedures in the dry ports.

Article (92)

The Minister may, upon the proposal of the chairman of the Authority, establish special procedures in accordance with specific controls for goods imported into or exported out of the country. Such goods shall not be subject to any of the customs regulations prescribed in the present law.