

**Arab Republic of Egypt  
Presidency of the Republic**

**OFFICIAL GAZETTE**

**Price EGP 4**

Issue 45 Bis. (d)	Issued on 25 Rabea' Elawal 1442 H Corresponding to (11 November 2020 ad.)	Year Sixty-three
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## **Law No. 207 for the year 2020**

### **Issuing the Customs Law**

**In the name of the People**

**President of the Republic**

The Parliament have decided the following Law, which we have ratified:

#### **(Article One)**

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

- 1- The provisions of the international conventions that the Arab Republic of Egypt has acceded to, as well as the provisions of the conventions of the electricity, petroleum and mining projects.
- 2- The Customs exemptions stipulated pursuant to other laws.
- 3- The provisions of the Law concerning Economic Zones of a Special Nature and its Executive Regulations issued by Law No.83 for the year 2002.
- 4- The provisions of the Investment Law issued by Law No.72 for the year 2017.

#### **(Article Two)**

The phrase “Customs Law” shall be replaced by the phrase “the law regulating the Customs exemptions issued by the decree of the President of the Republic No.186 for the year 1986” whenever mentioned in the laws, regulations and decisions in force.

#### **(Article Three)**

The Customs conditions shall be adjusted finally for cleared cargoes before the provisions of this law comes into force under temporary clearance system until its position of the Customs taxes are determined pursuant to the regulations in force at the time of clearance provided that the aforementioned is carried out within a year of the date the provisions of this law are in force.

**(Article Four)**

The Minister of Finance shall issue the Executory regulation to this law and the annexed law within six months of the date the law is in force. Until this regulation is issued, the applicable regulations and decisions shall remain in force so far that it is not in contradiction with the provisions of this law and the annexed law.

**(Article Five)**

The Customs Law issued pursuant to Decree of the President of the Republic No.66 for the year 1963 and the law regulating the Customs exemptions issued by the Decree of the President of the Republic No.186 for the year 1986 shall be canceled as well as every provision in violation or contradiction of the provisions of this law and the annexed law.

**(Article Six)**

This decree is to be published in the Official Gazette and shall come into force as of the next day of its publication.

This Law shall be sealed by the State's stamp and executed as one of its Laws.

Issued by the Presidency of the Republic on 25 Rabea' Elawal 1442 H  
(Corresponding to 11/11/2020 ad.)

**Abdel Fattah El-Sisi**

**CUSTOMS LAW**  
**CHAPTER ONE**  
**Definitions**

**Article (1):**

In application of the provisions of the law, the following words and phrases shall hold the meanings assigned to each of them:

- 1- **The Minister:** The Minister of Finance.
- 2- **The Department:** The Customs Department.
- 3- **Customs Boundaries:** The lands and waters subject to the sovereignty of the State.
- 4- **Customs Line:** The political lines separating between the Arab Republic of Egypt and the neighboring Countries as well as the beaches of the seas surrounding the Republic notwithstanding that the Suez Canal banks, the lake beaches and waterways that the Canal passes through are considered a Custom line.
- 5- **Customs Control Domain:** Part of the lands and seas where the Customs employees are authorized to carry out their legally assigned purviews.
- 6- **Customs Zone:** The determined domain in each maritime, in-land, air, dry port or any other place that has a Customs office and is authorized to complete the Customs procedures whether as a whole or in part.
- 7- **Customs Checkpoints:** Checkpoints that temporarily or permanently put in place to allow undertaking the necessary Customs procedures.
- 8- **Carrier:** Owner of the means of transport or assigned to operate or manage same.
- 9- **Maritime Agent:** Every natural person or body corporate that represents the owner, charterer or operator of the means of transport in dealing with all or some of what is related to this means or cargoes loaded thereon in the Arab Republic of Egypt.

- 10- **Bill of Lading:** The contract of carriage whereby the carrier is committed to transport the cargoes to a certain destination.
- 11- **Cargo Manifest:** The declaration presented by the Carrier or his representative to the Customs which includes a detailed description of the loaded cargoes on the different means of transport.
- 12- **Cargo:** Every natural material, animal, agricultural, industrial or technological product or other cargoes mentioned on the Customs Tariffs tables.
- 13- **Cargo Origin:** Country of production of the cargo where the regulations related to assigning the Country of Origin if manufactured in a Country other than the first Country of production is determined by the decree of the competent Minister.
- 14- **Source of Cargo:** The Country where the cargo was imported from.
- 15- **Banned Cargoes:** Cargoes that are banned by laws and decrees in force to transit, or be imported or exported as well as rejected cargoes by the supervisory authorities.
- 16- **Bulk Cargoes:** Cargos that are unpackaged.
- 17- **Customs Tariff:** A table prepared pursuant to the description and classification of products that include categories that the Customs tax apply to and the general rules of construing same.
- 18- **Customs Declaration:** The declaration presented by the concerned parties or their representative whether in paper or electronically regarding cargoes according to the prepared forms.
- 19- **Customs Clearance Agent:** Every natural or moral person authorized by the Department to prepare, sign and present the Customs Declaration to the Customs and complete the procedures on behalf of the cargo owner.
- 20- **Cargo Inspection:** Checking the type of cargo, origin, source, condition, quantity, value and extent of conformity with the Customs Declaration and related documents.
- 21- **Customs Tax:** Collected amounts on cargoes upon entry into or exit out of the Country pursuant to the applicable Customs tariff.

- 22- **Additional Tax:** Collected Tax amounting to (1.5%) of the value of the unpaid Customs tax for every month or part thereof as of the due date until date of payment.
- 23- **Customs Warehouse:** Licensed place to store cargoes with unsettled taxes and fees in full or to carry out some operations on same under the control of the Department and the responsibility of the Licensed Party to use the warehouse.
- 24- **Temporary Customs Warehouse:** Licensed places by the Department inside the ports to store cargoes under the control of the Department until the Customs Declaration is presented and the Customs Procedures are completed.
- 25- **Subsequent Audit and review:** Measures taken by the Department to verify the validity and credibility of the declarations and documents through checking the books, records and agendas held by those dealing with the Department and others in consistency with the Laws, Customs Regulations and other relevant laws and regulations as well as cargoes inspection (if any).
- 26- **Dry Port:** A place in any location in the Country decreed to be constructed by the Prime Minister pursuant to the provisions of Law No.1 for the year 1996 regarding dry and specialized ports that is considered a starting point or final destination for cargoes.
- 27- **Duty-free shops:** Places that displays and sells cargoes with unsettled taxes and customs dues in full under the control of the Department and the responsibility of the party using these places.
- 28- **Free Zone:** Part of the Country's boundaries within its borders and subject to its administrative purviews. Dealings within the free zone shall be made according to special Customs provisions and taxes.
- 29- **One-Window:** is an integrated electronic platform providing all services related to clearance of cargoes including dealings related to the Department, the General Organization for Import and Export Control (GOEIC), the Port Authorities, the General Department for Investment and Free Zones (GAFI) and all concerned authorities in that regard.

- 30- **Prior Inquiry:** service provided by the Department against a fee for its users that enables them to obtain prior explanation on some of the elements of the Customs operations or some of the related operations.
- 31- **Royalty:** fee paid by the licensed party to have a Customs warehouse, a temporary Customs Warehouse or a duty-free shop to the Department against licensing.
- 32- **Transit Cargoes:** Cargoes of foreign origin incoming to an Egyptian port to be loaded directly on another means of transport to a foreign Country (Direct Transit) or that is transported according to special customs procedures under the control of the Department from one Customs Zone or checkpoint to another with the suspension of payment of the Customs Tax against the presentation of a Customs acceptable guarantee (Indirect Transit).
- 33- **Smuggling:** Entering cargoes into or out of the lands of the Republic in illegal ways without payment of the due Customs Tax for all or some of it or in violation of the systems in force regarding banned cargoes.
- 34- **Multi-modal Transport:** Transporting cargoes by more than one means of transport by virtue of a single contract of carriage and a single document of carriage from the place of receipt of the cargoes in some country to the consignee in another country.
- 35- **Electronic Tracking:** Cargoes tracking operations by all available electronic means.

**CHAPTER TWO**  
**The Customs Department and its employees**  
**(Section One)**  
**The Customs Department**

**Article (2):**

The Department shall undertake the Customs Control works, the completion of the necessary Customs procedures for clearance and discharge of inbound, outbound and transit cargoes, the collection of the Customs Tax, all other dues taxes and fees, the management of the temporary grace and tax return systems, the application of laws, regulations and decisions related to the entry, exit and transit of cargoes operations.

The Department shall further undertake the Customs Control works related to the protection of the intellectual property rights relevant to cargoes along the Customs boundaries and line. The Department is also entitled to take all procedures it deems fit to secure and facilitate international trade movement in coordination and cooperation with other competent authorities.

The Department is entitled to take or ask the competent authorities to take all measures it deems fit to deter smuggling. The Customs is entitled to track the imported cargoes for sale via electronic websites as well as transported cargoes inside the Country under the indirect transit system by all available means including electronic tracking. Special measures may be taken inside the Customs Control domain to monitor some cargoes pursuant to a decision issued by the Minister or his designee.

The Executory Regulation of this law shall determine the procedures and controls for the application of this Article.

**Article (3):**

The maritime Customs Control Domain shall be from the Customs line to the distance that the Country undertake its sovereignty pursuant to the laws and international conventions in place. The Executory Regulation of this law shall determine the inland Customs Control domain pursuant to the requirements of this control.

The establishment, amendment or cancellation of the Customs Zones and checkpoints shall be made by virtue of the decision of the Minister or his designee.

**(Section Two)**  
**Employees of the Department**

**Article (4):**

The Customs department's officers of the whose job description are determined by virtue of a decision issued by the Minister of Justice in agreement with the Minister shall have a judicial apprehension/arrest capacity within the limits of their competence and they shall be entitled to seek the assistance of the competent authorities for the discharge of their duties.



**Article (5):**

The Customs department's officers who hold a judicial apprehension/arrest capacity shall be entitled to search persons, cargoes, means of transport and places inside the Customs Zone.

**Article (6):**

The Customs department's officers who hold a judicial apprehension/arrest capacity shall be entitled to board all means of transport within the Customs Control Domain for inspection and to demand the cargo manifest and other documents as required by the stipulated rules.

In case of abstention from presenting documents, the non-presence of documents or the suspicion of the presence of smuggled cargoes, the necessary measures shall take place for the apprehension of the cargoes and taking the means of transport, whatever it is, to the nearest Customs checkpoint or Zone when necessary.

**Article (7):**

The Customs department's officers who hold a judicial apprehension/arrest capacity shall have the right to track cargoes under suspicion of smuggling upon exit from the Customs Zone or the Customs Control Domain.

The abovementioned officers shall have, in all cases, the right to seize the smuggled cargoes and the means of transport used in the smuggling and to take the apprehend the smugglers referring them to the nearest Customs' checkpoint or Customs' Zone.

**Article (8):**

Importers, exporters, customs clearance agents, maritime and transport companies, offices, natural persons' companies and body corporates and other parties related to the customs operations shall be bound to keep such papers, records, books, instruments and documents related to these operations for the period of five years starting as of the date of clearance. As for the records, these shall be kept for the same period starting as of their annotation of expiry or closure. Every person in possession of foreign cargoes for the purpose of trading shall keep the relevant document proving their origin.

**Article (9):**

Without prejudice to the laws stipulated for the protection of the sanctity of private properties, the Customs department's officers who hold a judicial seizure capacity and by virtue of a written authorization from the head of the Department or his designee shall have the right to enter into the headquarters of those mentioned in article (8) of this law for the purpose of perusal of the papers, records, instruments and documents related to the customs operations or indicating origin of cargoes, checking same and carrying out a subsequent audit and review after the clearance and seizure of same in case of a violation. Furthermore, the cargoes, in case present, may be inspected, if needed. The executory regulation to this law shall determine the rules and regulations organizing the subsequent audit and review and the records that shall be kept manually or electronically.

Without prejudice to the provisions of chapter nine of this law, due customs and taxes may be recalculated if their calculation is proven to be based on deceit or fraud pursuant to the general provisions in that regard.

**Article (10):**

In cases other than caught in the act, no procedure of the investigation procedures shall be taken by the Customs department's officers who hold a judicial seizure capacity while and because of performing their work except based upon the written request of the Minister or his designee.

**Article (11):**

The Minister shall put a system or more to remunerate the Customs department's officers in light of their levels of performance and the size and level of their achievement at work without adherence to any system and after submitting same before the Prime Minister. A Ministerial Decree may support the social and health care fund of the employees of the Department, their families, those on pension or about to be on pension by a percentage not exceeding (10%) of the proceeds of the fines and compensations stated in Article (82) of this law.

**CHAPTER THREE**  
**Customs Tax and service fee**  
**(Section One)**  
**Customs Tax**

**Article (12):**

Cargoes that enter into the customs boundaries shall be subject to the tax stipulated in the customs tariff in addition to the other stipulated taxes and fees except for those excluded through a special provision.

As for the cargoes that exit the customs boundaries, they shall not be subject to the customs tax except for those excluded by a special provision.

No cargoes may be cleared except after the completion of the customs procedures, payment of the customs tax and all other due taxes and fees unless stated otherwise in the law.

**Article (13):**

A Presidential Decree shall be issued concerning the customs tariffs' regulations, categories and nomenclatures, their amendments or cancellation which shall be submitted before the Parliament once issued. This decree shall not enter into force except after the approval of the parliament and if the parliament is not in session, the President may call for it to convene in an emergency meeting to decide upon same.

The customs tariffs' regulations, categories and nomenclatures and the categories of the tax stipulated in the bilateral or multi-lateral conventions and the amendments thereof from their time of entry into force shall apply on such cargoes which the customs tax/dues have not been paid for.

As for the cargoes intended for export against which sums have been paid on account of customs dues/taxes and other owed taxes and dues, prior to their entry in their entirety to the customs zone, the remaining part of these cargoes that has not entered into the Customs Zone shall be subject to the applicable tariff at the time of their entry.

**Article (14):**

The customs tax shall be paid on the cargoes subject to ad valorem tax as a set percentage of the customs acceptable value as the case may be at the time of application of the customs tariff and pursuant to its tables.

As for the cargoes subject to qualitative tax in a set amount for the type according to the numbers or weight, taxes for these cargoes shall be fulfilled in full regardless of the status of the cargo unless the Department ascertains any sustained damages thereto as a result of force majeure or accident, the qualitative tax thereto may be decreased pro rata to the sustained damages to the cargo.

The licensed capacity of cars and means of transport cannot be amended or altered for the period of five years as of the date of the release except after reverting to the Department and paying the due tax thereon.

The executory regulation to this law shall determine the procedures and regulations related to the application of the provisions of this article.

**Article (15):**

The due customs tax on machines, equipment, devices, production lines and parts that do not have any customs tariff exemptions or discounts may be installed whenever they are inbound for productions projects for a period not exceeding one year against payment of an additional tax for every month or part thereof during the period of installment.

The types mentioned in the first paragraph of this article in the name or for the account of national projects or infrastructure projects of the State that is determined by virtue of a decree by the Prime Minister shall be exempted from payment of the aforementioned additional tax. The executory regulation to this law shall determine the terms, conditions, durations and guarantees related to the installment system.

**(Section Two)**  
**Tax Base**

**Article (16):**

Taking into consideration the provisions of the international conventions that the Arab Republic of Egypt has acceded to, the value required to be declared for customs purposes in case of inbound cargoes are the actual value of the cargo added to it all actual costs and expenses related to the cargo until the port of destination in the lands of the Republic provided that the declaration includes the detailed elements of the cargo and the value related to it for customs purposes.

If the value is determined in a foreign currency, it shall be evaluated based upon the declared exchange rate by the Central Bank on the date of registering the Customs Declaration or the declared price by virtue of a Ministerial Decree.

The executory regulation to this law shall determine the terms, conditions and regulations of the application of this article.

**Article (17):**

The value to be declared for customs purposes of the cargoes bound for export shall be equal to the price of the cargoes added to it all the actual costs and expenses until port of export on the date of registering the presented customs declaration for the said cargoes. This value shall not include any other taxes or fees provided that the declaration the detailed elements of the cargo and the value attached to it for customs purposes.

The executory regulation to this law shall determine the terms and guarantees related to determining the value of these cargoes.

**(Section Three)**  
**Service Fee**

**Article (18):**

The single window, prior inquiry and works service fees carried out by the Department based upon the request of the concerned parties for the execution of the provisions of this law in times other than the official business hours or outside the Customs Zone shall be estimated so that it does not exceed ten thousand Egyptian pounds for each.

The executory regulation to this law shall determine the terms and procedures of prior inquiry, fee types and stipulated fee for all the services provided by the Department in addition to the cases of fee reduction and prices of the publications, forms and customs seals. The mentioned fee shall not enter into the domain of the customs exemptions, taxes retrieval or guarantees.

The collected amounts shall be deposited on account of actual services fees provided by the Department to third parties in a private account in the name of the Department at the Central Bank in the unified treasury account. The account shall pay for the development and modernization of the infrastructure, services and development of the human resources at the Department, by virtue of ministerial decree, provided that the excess shall be carried over from one year to another.

#### **CHAPTER FOUR** **Customs Exemptions**

**Article (19):**

the following shall be exempted from the customs tax pursuant to the terms and conditions determined by the executory regulations to this law:

- 1- Any imports by the Ministry of Defence and its Departments, companies, units and authorities of the Ministry of Military Production, General Intelligence and the Ministry of the Interior consisting of weapons, ammunition, equipment, means of transport, private passenger cars for official use by the Ministry of Defence; material, tools, machines, installations, medical equipment and medicines in the name of these authorities or on their account for the purpose of arming, defence or security without the condition of inspection.
- 2- Any imports by the presidency of cargoes for official use as designated by the head of the president's bureau.
- 3- Any imports by the Ministry of the Exterior as related to cargoes for official use as designated by the Minister of Foreign Affairs.

- 4- Any imports by the National Defense Council as related to cargoes for official use as designated by the National Defense Council's Secretary.
- 5- Any imports by the National Security Council as related to cargoes for official use as designated by the National Security Council's Secretary.
- 6- Any imports by the Administrative Control Authority as related to cargoes for official use as designated by the Head of the authority.

**Article (20):**

The customs tax shall be exempted on the following provided that an inspection is carried out pursuant to the terms and conditions determined by the executory regulations to this law:

- 1- Gifts, donations, samples and cargoes financed by the awards granted to the Cabinet, Ministries and their departments, local management units, other public governmental body corporates, authorities, judicial authorities and parliament necessary for practicing their activity.
- 2- Personal effects of passengers whether they were tourists, transiting or residences in the country upon arrival or departing.
- 3- Personal items that do not hold any commercial capacity like mathematical and scientific medals, trophies and prizes.
- 4- Furniture, tools, personal effects and vehicles which have been temporarily exported abroad in the past belonging to persons having their original domicile inside the Arab Republic of Egypt provided ensuring they are self-same.
- 5- Inbound cargoes without value (damaged or short) for cargoes that have already been exported or rejected and its stipulated customs tax have been collected provided that the exemption is within the settled tax.

- 6- Cargo exported abroad which are re-imported once again, provided they are self-same.
- 7- Supplies, fuel materials, installations, equipment, machines and spare parts necessary for high seas vessels and airplanes and the necessary for use by its passengers and navigators in their voyages abroad.
- 8- Luggage, personal tools, furniture and cars of the members of scholarships and students under the scientific supervision of scholarships who have attained their doctorates or the equivalent whether the dispatch of the member is at the State's expense, foreign grant or at his own expense. The aforementioned is upon final return following completion of studies or upon the return of his family in case of his demise.
- 9- Luggage, personal tools and furniture of the members of diplomatic and consular mission of the Arab Republic of Egypt, employees of the Ministry of Foreign Affairs working on diplomatic missions abroad, employees of the other Ministries attaché to this mission, loaned employees to the United Nations, specialized agencies as well as Egyptians working abroad in the Arab League and African Union.
- 10- What is imported by the Arab and Foreign Forces as well as multi-national forces operating in Egypt in light of concluded agreements, trainings, joint maneuvers whether the said import is in its name or for its account. The aforementioned shall be for the personal use of its members or necessary for performing its mission on condition of reciprocity.
- 11- What is imported by governmental and university hospitals consisting of devices, equipment, medical supplies, medicines, blood derivatives, serums, family planning methods and baby milk in their name or for their account pursuant to a decision issued by the competent minister.
- 12- Things and authorities that the Prime Minister, based upon the suggestion of the Minister, issues his decision to exempt.

In all cases, the inspection provision may be exempted based upon 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 this transaction and according to the data of the Ministry of Foreign Affairs:

- 1- Inbound items for personal use by the members of the non-honorary foreign diplomatic and consular missions registered in the schedules issued by the Ministry of Foreign Affairs and that inbound for their spouses and minor children.
- 2- Imported items by embassies, commissions, non-honorary consulates for official use apart from food materials, alcohols and tobacco.

The number of cars that shall be exempted shall be determined pursuant to the previous items as one car for personal use, five cars for official use by the embassy or commission and two cars for official use of the consulate. Exceeding the aforementioned quantity shall be pursuant to the approval of the Ministry of Foreign Affairs.

Inbound items for personal use consisting of personal effects, furniture, household items and one car for the foreign employees working in diplomatic or consular missions that do not make use of the exemption stipulated in item (1) of this article shall also be exempted from the customs tax provided that the same privilege is granted and that inspection takes place within the limits of this transaction and according to the data of the Ministry of Foreign Affairs.

In all cases, the exempted types by virtue of this article shall be subject to the provisions of disposal stipulated in article (24) of this law unless the reciprocity system provides for otherwise.

The executory regulation to this law shall determine the regulations and procedures of application of this article.

**Article (22):**

Customs tax amounting to (5%) of the value or according to the categories stipulated pursuant to the Customs tariff, whichever is less, shall be collected on the following imports:

- 1- Machines, equipment, devices, production lines and parts required by the activity necessary for the establishment of projects and according to the provisions of the Joint Stock Companies, Partnerships Limited by Shares, Limited liability Companies and one-person companies' law as well as projects to be established in the new urban communities pursuant to the provisions of their laws, projects of reclamation and cultivation to be established in the desert pursuant to the law regulating same.

- 2- Machines, equipment and means of transport of material and vehicles that have construction uses except for passenger cars necessary for the establishment of urbanization or expansion projects to be executed pursuant to the provisions of law No.62 for the year 1974 regarding some the provisions related to urbanization.
- 3- Machines, equipment and devices necessary for the construction and expansion of projects and hotel facilities subject to the provisions of law No.1 for the year 1973 regarding hotel and tourism facilities.

**Article (23):**

Customs tax amounting to (5%) of the value provided an inspection is carried out to the imported passenger cars that their value does not exceed four hundred thousand Egyptian pounds and the vehicles for transport of ten persons or more including the driver that is necessary to the establishment of licensed companies to operate in the field of tourism transport or expansion pursuant to the provisions of the law No.38 for the year 1977 regulating tourism companies pursuant to the terms and conditions determined by the executory regulation to this law provided that the tax is paid in full for whichever amounts exceeding the mentioned value.

**Article (24):**

The customs exemptions shall be subject to the following provisions:

- 1- The exempted goods shall be banned from disposition whether the exemption was full, partial or with a discount in the customs tariff by any means of disposal or transferring ownership to persons or authorities other than that enjoying the same exemption or use in purposes other than that that the exemption or reduction was granted for except after the approval of the authority and payment of the customs taxes, all taxes and other fees once due according to the terms determined by the executory regulation to this law.
- 2- This ban shall remain in force for the duration of five years as of the date of the clearance. All taxes and previously exempted fees shall be collected if these cargoes were not used for the usual purpose it was exempted for unless there is a reason preventing the said use by the exempted person regarding what was exempted for by reason of force majeure, irresistible accident or due to a justifiable cause acceptable to the minister or his designee where the ban shall cease and resume once the said cause has expired.

- 3- Cigarettes, cigars, tobacco and alcohol exempted from the customs tax by virtue of this law or other laws and decisions shall not be released unless labelled with the special label indicating their exemption of this tax as determined by the authority.
- 4- The phrase means of transport mentioned in this law do not include passenger cars and these cars shall not be exempted unless explicitly stipulated.
- 5- The exempted authorities shall commit to hold records and regular and fair books subject to the control of the authority to make sure that the exempted types are used for the purposes they were exempted for according to the terms determined by the executory regulation to this law. Types that were exempted for the purpose of arming, defence or security shall be excluded.

The provisions of this article shall not apply to the items 1 to 10 of the article (20) of this law.

**CHAPTER FIVE**  
**Special Customs Systems**  
**(Section One)**  
**Transit Cargoes**

**Article (25):**

Cargoes of foreign origin may be transported according to the transit cargoes system without taking the maritime route whether these cargoes have entered the borders to directly exit from other borders or they were sent from one of the customs branches to another branch after the submission of one of the guarantees accepted by the authority.

Transit cargoes shall not be subject to restriction or ban unless otherwise stipulated in the laws or decisions issued in that regard. The carrier shall be responsible for every loss, shortage or alteration of the cargoes or damage to the seals or tampering with it without prejudice to the responsibility of the owner of the cargoes.

The customs tax and other due taxes and fees shall be estimated on the date of submission of the guarantee.

The executory regulations to this law shall determine the procedures, regulations and guarantees necessary for the application of this system.

**(Section Two)**  
**Customs Warehouses**

**Article (26):**

Customs warehouses shall be licensed by virtue of a decree of the Minister or his designee. The authority shall be entitled to authorize carrying out of some operations on the deposited cargoes in warehouses including allowing the transfer of ownership of the cargoes.

The executory regulations to this law shall determine the types of warehouses, the conditions to be met, the operations to be carried out inside them, the cargoes to be deposited therein including those that their storage require special conditions for storage, duration of stay, guarantees of payment of due taxes and fees, royalty to be paid to the authority for the duration of licensing and other related regulations.

**Article (27):**

The customs tax and all other due taxes and fees on deposited cargoes in warehouses shall be paid upon final release on the basis of weight, numbers, quantities or volumes at the time of deposit.

The licensed person to make use of warehouses shall commit to pay the customs tax and all other due taxes and fees for every shortage, loss or change in the weights, numbers or quantities of the deposited cargoes in addition to the fines and compensations stipulated in chapter nine of this law.

The customs taxes and all other taxes and fees shall not be due if the shortage, loss or change is the result of natural reasons such as evaporation, dryness or as a result of force majeure.

The executory regulation to this law shall determine the regulations, shortage percentages and changes to the cargoes following reverting to the competent authorities.

**(Section Three)**  
**Temporary Storage**

**Article (28):**

Inbound or outbound cargoes may be stored in temporary customs warehouses until completion of their release procedures. The executory regulations to this law shall determine the types of warehouses, the requirements these warehouses should have, the operations to be carried out inside of them, cargoes deposited therein, duration of their stay, guarantees of payment of taxes and due fees, royalty to be paid to the authority for the duration of the licensing and other relevant regulations.

**(Section Four)**  
**Free Zones**

**Article (29):**

The General Authority for Investment and Free Zones shall seek the opinion of the customs authority on the terms and required specifications before licensing the establishment of free zones. The non-response of the authority within fifteen working days as of the date of receipt of the application shall be considered approval on moving forward with the licensing procedures. In all cases, the authority shall be notified with the issuance of the decision of practicing an activity, its amendment or cancellation for achieving customs control.

The authority, in coordination with the General Authority for Investment and Free Zones, shall be entitled to enter the free zones and peruse the papers, records, instruments and documents of whatever type to carry out inventory on the projects of these zones and complete check up to make sure that the balances are valid provided that the mentioned authority shall be provided with the result of the inventory and checkup pursuant to what is determined by the executory regulations to this law of procedures and arrangements related to the customs control.

**(Section Five)**  
**Special Nature Economic Zones**

**Article (30):**

The competent authority that has undertaken the management or development of the zone shall notify the authority of the license issued by it for the project under the Special Nature Economic Zones. Practice of the licensed activity shall not commence except after the issuance of the decision of the Minister or designee considering that the licensed area is a customs zone.

The authority shall be entitled to peruse papers, records, instruments and documents of whatever type, carry out inventory to the project of the Special Nature Economic Zones and complete the necessary check of consistency of balance according to what is determined by the executory regulation to this law of procedures and special arrangements of the customs control.

**(Section Six)**  
**Duty-free Shops**

**Article (31):**

The establishment of the duty-free shops shall be licensed by virtue of the decision of the minister or his designee.

No new licenses shall be issued under this system except in the passenger terminals at ports or the renewal of current licenses at the time this law has come into force except after the approval of the Minister of Trade and Industry and the Minister of Tourism.

The executory regulations to this law shall determine the regulation of operation of this system, the cargoes offered and sold in the duty-free shops, duration of their stay, guarantees of payment of the due taxes and fees, royalty to be paid to the authority for the duration of the licensing and other relevant regulations.

**Article (32):**

The Customs tax and all other due customs and taxes on cleared goods from duty-free shops to inside the Country shall be paid according to the applicable laws and decrees at the date of the sale.

The party making use of the duty-free shops shall commit to pay the customs tax and all other due customs and taxes for every shortage, loss or change in the weights, numbers or quantities of the cargoes in these shops in addition to the fines and compensations stipulated in chapter nine of this law.

The customs tax and all other taxes and fees shall not be due if the shortage, loss or change is the result of natural reasons such as evaporation, dryness or as a result of force majeure.

**(Section Seven)**  
**Temporary Admission**

**Article (33):**

Primary materials, intermediate goods, components that are imported with the intent of manufacturing them as well as the requisites for production and packaging of exported goods, imported items for the purpose of repairing or completing the manufacture thereof then re-exported shall be exempted temporarily from the customs taxes and other taxes and fees. The importer shall be required to deposit a guarantee in the value of the customs tax and other due customs and taxes at the authority in order to be exempted provided that the re-exportation shall be carried out within one and a half year of the date of the release. The Minister or his designee may before the re-exportation extend the said period for a similar period(s) which shall not exceed a year. If this duration has expired, the said customs tax and other taxes and fees including the additional tax shall be due for payment.

These materials, products and types of import regulations as stipulated in the laws and decisions related to import shall be temporarily exempted as well.

Disposal of the said materials, products and types for purposes other than those for which they were imported shall be banned except after obtaining the approval of the authority, fulfillment of the import regulation, payment of previously estimated taxes and fees once due and additional tax as of the date the materials and mentioned types enter the country until date of payment.

The aforementioned guarantee shall be refunded forthwith in the proportion of what had been transferred by importers or by third parties of the products or cargoes to a free zone or an economic zone with a special nature or exported out of the country or sold to bodies enjoying complete exemption from taxes and fees.

The equivalent of the value of the partial exemption from the taxes and fees due on the end products or the mentioned cargoes in this article shall be refunded if the sale was made to bodies enjoying partial exemption.

If the industrial operations, which have been carried out on the items and types referred to, have changed their features to such an extent as to render it difficult to recognize their kind, it shall suffice for the exported products to be of the type in the manufacture of which usually enter the imported items in accordance with the decision of the competent authority as determined by the Minister of Trade and Industry. The said authority shall determine ratios of industrial residues and defects as well as if any scrap value results therefrom.

The executory regulation to this law shall determine the regulations and procedures organizing the temporary release and the mentioned guarantee refund systems.

### **(Section Eight) Temporary Release**

#### **Article (34):**

The goods may temporarily be released without charging the prescribed customs duties and other due customs and taxes after the presentation of one of the guarantees determined by the executory regulation to this law.

As for the temporary release of machines, equipment, devices, containers and means of transport except for passenger cars and yachts for operation or lease inside the country, customs tax amounting to (2%) of the due customs tax as of the date of the temporary release shall be collected for every month or part thereof and with the maximum of (20%) annually throughout the duration of their stay in the country until their re-exportation or final release. The presentation of an undertaking by the competent minister or head of the authority shall suffice if the goods are arriving in the name of Ministries, public body corporates, public sector companies and public sector companies for business in national projects which the Prime Minister issues decrees establishing them.



Customs tax amounting to (1%) of the stipulated customs tax on the date of the temporary release shall be collected for every month or part thereof with a maximum of (10%) annually for equipment, new and renewable energy components and their spare parts.

The executory regulation to this law shall determine the fees for not charging the tax for passenger cars and yachts which shall not exceed (5%) of the value of the tax for each month or part thereof. The regulation shall further determine the cases, guarantee, durations, terms and conditions necessary for the application of this system.

In all cases, it shall be deducted from the customs tax the equivalent of the paid-up ratio for the month where the final release was concluded.

**Article (35):**

The mentioned good in articles (33, 34) of this law shall be subject to the applicable tax on the date of registration of the customs declaration under the temporary release or temporary clearance system. In all cases, the final customs release shall not be carried out except after fulfillment of the stipulated import regulations.

**(Section Nine)**  
**Refund of customs' taxes**

**Article (36):**

Refund of Customs Taxes and other customs and fees previously charged to imported materials and types used in the making of local exported products or that had been transferred to a free zone or an economic zone with a special nature or sold to bodies enjoying complete exemption from taxes and fees shall be refunded within a year and a half from the release date. The Minister or his designee may, before completion of export, extend this period for another year.

The equivalent of the value of partial exemption from customs taxes and other taxes and fees shall be refunded if the sale was made to bodies enjoying partial exemption.

In case the mentioned cargoes were transferred to customs warehouses, the taxes and fees shall not be refunded except after re-exportation.

If the industrial operations, which have been carried out on the items and types referred to, have changed their features to such an extent as to render it difficult to recognize their kind, it shall suffice for the exported products to be of the type in the manufacture of which usually enter the imported items in accordance with the decision of the competent authority. The said authority shall determine the ratios of industrial residues and defects.

The executory regulation to this law shall determine the rules, terms and conditions regulating the tax refund.

**Article (37):**

The customs taxes and other taxes and fees previously collected shall be refunded upon exporting the imported foreign products, which have no locally produced substitute, on condition that the sample thereof being ascertained and export being carried out within one year from the date of payment of the duty.

The customs taxes and other taxes and fees previously collected shall also be refunded upon exporting machinery or equipment or goods which have previously been imported and the acceptance of which has finally been refused for any reason, on condition of the export thereof being affected within one year from the date of payment of the duty.

The executory regulation to this law shall determine the conditions for application of this article.

**Article (38):**

The previously collected customs tax upon exportation of cargoes and local products shall be refunded if re-imported in the same condition from abroad or withdrawn from a free zone or an economic zone with a special nature in accordance to the terms and conditions determined by the executory regulation to this law.

**CHAPTER SIX**  
**Customs Procedures**  
**(Section One)**  
**Pre-clearance / Advance Clearance**

**Article (39):**

The importer or his agent shall commit to present the cargo documents to the authority before shipping them to the country for annotation with a preliminary customs registration number. The importer or his agent shall further commit to notify the shipper with this number for registration of same on the cargo shipping documents.

The carrier, the vessels' masters, airplanes pilots and other means of transport or their maritime agents or their representative shall commit to enlist the said number on the inbound cargo shipping documents to the country. In case the said number is not listed on the shipping documents, the cargo shall be re-exported abroad without discharge inside the Egyptian ports and access points at the expense of the carrier or his representative.

The importer or his agent may carry out the advance customs clearance procedures and pay the preliminary estimate of customs and fees before the arrival of the cargoes to the lands of the Republic. Final settlement shall be made after the arrival of the cargo according to the applicable customs tariff at the time of the clearance.

All of the above is according to the terms, regulations and procedures determined by the executory regulations to this law.

## **(Section Two)** **Cargo Transport**

### **Article (40):**

Without the prior approval of the authority, vessels with tonnage less than two hundred tons are not allowed to transport into or out of the republic banned cargoes or cargoes that is subject to expensive taxes or wandering about or violating traffic inside the domain of the customs control unless the aforementioned had arisen out of force majeure or maritime emergency as estimated by the authority in coordination with the competent relevant authorities.

The masters shall in these circumstances submit a report to the nearest customs' zone or check point within twelve hours from the time of the vessel's berthing.

The executory regulation to this law shall determine the types of cargoes that is subject to expensive taxes.

### **Article (41):**

The maritime and fluvial transport authorities are not authorized to permit/allow vessels to moor in ports which are not fit for such purpose, or in Suez Canal, or its lakes, or waterways or the Nile estuaries without the prior approval of the authority except in force majeure conditions, or maritime emergencies after coordination with the relevant ministries and organizations. The masters shall in these circumstances submit a report to the nearest customs' zone or check point within twelve hours from the time of the vessel's berthing.

The executive regulations to this law shall determine the terms and conditions that allow loading, discharging and transport of goods through all methods of maritime or fluvial transportation.

**Article (42):**

The competent authority of civil flight is not authorized to permit/allow airplanes to take off or land on airports that do not have customs zone or check point or to drop its shipment or part thereof except in force majeure conditions or air emergencies. The pilots shall in these circumstances submit a report to the nearest customs' zone or check point within twelve hours from the time of the airplane's landing.

The executive regulations to this law shall determine the terms and conditions that allow loading, discharging and transport of goods via airplanes.

**Article (43):**

Cargoes incoming by land or railways shall be presented to the nearest customs' zone or check point to the borders. The owners or attendants shall take the road or route directly leading to the mentioned zone or check point.

The executive regulations to this law shall determine the terms and conditions that allow loading, discharging and transport of goods through all methods of land transportation or railways.

**Article (44):**

Incoming or inbound goods by post shall be accepted pursuant to the international postal agreements. The post authority or the licensed companies to practice this activity shall submit before the authority the packages, cargoes and postal files to take the stipulated procedures in their regard.

**Article (45):**

A record of the persons dealing with the authority shall be established to register all users who are non-importers of goods for personal use. For completion of the customs procedures or release of imported and exported cargoes, registration in the mentioned register is a must. The executory regulation to this law shall determine the procedures and terms of registration and cases of its suspension, cancellation and complaints against the issued decisions in that regard.

**(Section Three)**  
**Cargo Manifest**

**Article (46):**

All goods arriving by sea, land or air should be registered in the public and only cargo manifest of the shipment of the means of transport.

This manifest should be signed by the captain of the means of transport or his maritime agent where it shall mention thereon the name of the means of transport, nationality, types of goods with their real names, quantities, number of packages, markings, numbers of containers, name of the shipper, name of the consignee and loading ports. The executory regulation to this law shall determine the procedures, regulations and other data.

The carrier or his representative shall be bound not to load any goods except for personal effects for non-importers registered in the authority's record for persons dealing with the customs.

Bearing in mind the provisions of article (66) of this law, the carrier or his representative shall commit to re-export the banned cargoes abroad or destroying same at his expense as the case may be. In case the invalidity of the presented data and the concerned party does not apply to complete the customs procedures provided that destruction of the cargoes is carried out under the supervision of the authority in coordination with the competent authorities.

All of the above is according to the procedures, regulations, and delays determined by the executory regulations to this law.

**Article (47):**

The carrier, vessels' masters, airplanes' pilots, other means of transport or their maritime agents or their representative are hereby committed to manually or electronically present to the authority and before the arrival of the means of transport by forty-eight hours at least, the information, documents and cargo manifest of the loaded cargoes to the ports inside the country indicating the required data as well as the general cargo manifest of the shipment of the means of transport, signed declaration of the names of the passengers, supplies and all items of the crew of the means of transport that is subject to the customs tax.

Any tobacco or alcohol in excess to the necessary use of the crew of the means of transport at the time of berthing or stay shall be kept in special closed stores that shall be sealed by the seal of the competent customs.

These data may be amended and addenda to the cargo manifest may be presented according to the terms, duration and procedures determined by the executory regulation to this law.

**Article (48):**

No vessels, airplanes and different means of transport may leave the ports of the republic loaded or empty except after the approval of the authority and after submission of the cargo manifest.

**Article (49):**

Vessels' masters, airplanes pilots and other means of transport or their maritime agents or their representatives shall commit to discharge cargoes in conformity to their quantities, number of packages and their listed contents on the cargo manifest until delivery in full at the warehouses, stores or to the concerned parties.

The mentioned parties in the first paragraph of this article shall not be considered in violation to this commitment in any of the following cases:

- 1- If the short cargoes or packages have not been loaded from the load port.
- 2- If the cargoes or packages have been loaded except, they have not been discharged in the country or discharged abroad.
- 3- If the packages are delivered in an apparent sound condition which would probably indicate the occurrence of the shortage before loading.
- 4- If the containers were delivered with seals intact and numbers consistent to those written on the bill of lading.
- 5- If the vessel's holds are loaded with bulk cargoes and sealed with intact seals and numbers consistent to those written on the bill of lading.

The justification for the shortage in the cases mentioned in items (1, 2) of the second paragraph of this article shall be made with documents acceptable to the authority within a duration not exceeding one month of the discovery of the shortage.

The executory regulations to this law shall determine the in excess or shortage allowance percentage tolerated for bulk cargoes as well as partial shortage of cargoes arising out of natural factors or as a result of insufficient packing and the spillage of their contents. The authority may seek the opinions of the competent authorities or specialists as necessary.

**(Section Four)**  
**Customs Declaration**

**Article (50):**

The cargo owners or his customs clearance agent shall commit to present the customs declaration for the cargoes entering or exiting the country even if the cargo is exempted from customs. The executory regulation to this law shall determine the customs declaration form, its addenda, the regulations to amending the notes stipulated therein, duration for submission, validity and cases of revocation.

The signatory to the declaration shall be responsible for the validity of the data therein without prejudice to the responsibility of the owner of the cargo.

The holder of the delivery order of the cargo shall be considered representative of the owner of the cargo in completion of the release procedures without responsibility on the authority as a result of delivery of the cargo.

The authority may accept incomplete customs data if they include enough details acceptable to the authority together with the submission of a necessary guarantee before the release according to what is determined by the executory regulation to this law.

**(Section Five)**  
**Customs Clearance Agent**

**Article (51):**

Customs clearance works cannot be made on cargoes of third parties except after obtaining a permit to that effect from the authority. The duration of the permit shall be two years which are renewable. The permit shall expire if not renewed before the term of its duration. The executory regulation to this law shall determine the regulations, terms, forms and rules related to the application of the aforementioned.

The authority may issue a permit to the assistant of the customs clearance agent pursuant to the categories, terms and regulations determined by the executory regulations to this law.

**Article (52):**

Without prejudice to the legal status of the customs clearance agents who have previously been licensed to practice the activity before the provisions of this law came into force, whoever practice the activity of customs clearance on cargoes pursuant to the provision of article (51) of this law must hold the following:

- 1- The nationality of the Arab Republic of Egypt.
- 2- High academic qualification.
- 3- Performed his military duty or exempted from it.
- 4- Not less than 21 years of age.
- 5- Not to have been previously suspended from service at the government or public authorities or had his name stricken off of the schedule of the customs clearance agents on account of performing a dishonorable act or breach of trust.
- 6- Not to have been previously sentenced with a final judgement in a felony or misdemeanor for performing a dishonorable act or breach of trust or in one of the customs smuggling or the tax evasion crimes unless restituted.
- 7- Not to be an employee in any of the governmental authorities, units, general authorities, public sector or business public sector. Three years must have passed since whoever was previously an employee of the authority have left work.
- 8- To attend training sessions prepared by the authority and successfully pass the validity exam for practicing the activity. The previous employees of the authority who have obtained high educational qualifications shall be exempted from attending the training sessions provided they pass the mentioned validity exam.
- 9- To pass the set validity period of six months under probation except for the previous employees of the authority who have had judicial apprehension/arrest capacity.
- 10- To set up an independent office in the Arab Republic of Egypt.
- 11- To submit a tax card.



Body corporates may be authorized to practice the activity of customs clearance according to the following terms:

- 1- To submit the commercial register.
- 2- The company has an independent headquarters.
- 3- Not to practice the customs clearance operations except for those who the terms of practicing the activity as mentioned in the first paragraph of this article apply to.

The legal representative of the body corporate must not to have been, in addition to the other legally stipulated terms, sentenced with a final judgement in one of the mentioned crimes in this law unless restored.

**Article (53):**

Every customs clearance office shall deposit a cash security at the authority in the amount of fifty thousand Egyptian pounds. As for body corporates authorized to practice the customs clearance activity, the cash security shall amount to one hundred thousand Egyptian pounds. The authority may deduct from the said amount in fulfillment to the dues on the office or the body corporate of fines and compensations for violations made by them or their affiliate customs clearance agents provided that the deducted value from the security for fines or compensations is restored.

**Article (54):**

The customs clearance agent shall commit to hold a private record with a serial number sealed by the authority's seal to register the cargoes he undertakes clearance for. The customs clearance agent shall further commit to present the said record to the authority when requested for review. This record and supporting documents thereof shall be kept for a period of five years.

**Article (55):**

Ministries, governmental authorities, public authorities, local management units and other public body corporates, public sector companies, public business sector companies and other companies, embassies and consulates may carry out the procedures of customs clearance on their cargoes through their employees based upon their written authorization after they pass the training sessions prepared by the authority.

**Article (56):**

Disciplinary committees shall be formed at the customs zones to undertake questioning the customs clearance agents for the violations of the provision of this law under the presidency of the head of a central administration to be chosen by the head of the authority or his designee and the membership of:

- 1- The competent General Manager of Legal Affairs.
- 2- Delegate of the Customs Clearance Agents elected by the competent Customs Clearance Division.

The committee shall issue its decision by virtue of the majority of the votes and the committee's decision must be accompanied with the reasons for issuing same.

The disciplinary penalties to be decided are as follows:

- 1- Warning.
- 2- Suspension for a duration not exceeding one year for the first violation and the penalty shall be doubled in case the violation is repeated for another time during two years of the date of committing the previous violation.
- 3- Cancellation of the license.

The head of the authority may suspend the granted license in case any of the customs clearance agents commits an offence with criminal suspicion until the committee issues its decision.

**Article (57):**

The customs clearance agents may complain against the decision of the disciplinary committee mentioned in the previous article within thirty days of the date of learning the committee's decision.

A High Committee for Complaints shall be established at the authority under the presidency of the head of the authority and the membership of the representative of the authority who in the least is head of a central administration and delegate of the customs clearance agents to be chosen by the competent Customs Clearance Division provided that no disciplinary penalty was made against the said delegate. In all cases, the members of the committee shall not have among them any member who participated in the committee that decided the penalty complained against.

The committee shall undertake to decide upon the presented complaint by the customs clearance agents of decisions made by the disciplinary committee during a period not exceeding fifteen days of the date of submission of the complaint.

The committee shall issue its decisions accompanied by the reasons for issuance of same by the majority of the votes and the decisions of the committee shall be enforceable.

**(Section Six)**  
**Cargo Inspection and withdrawal**

**Article (58):**

If the import and export of cargoes is subject to the restrictions of any competent authority, these cargoes shall not be allowed to enter or exit unless they have fulfilled the required terms.

**Article (59):**

The authority may inspect all or some of the cargo to ascertain its conformity to the customs declaration and its addenda, ascertain its type, value, origin and condition in addition to the authority's right not to inspect the cargo as well. The inspection shall take place in the customs' zone. The inspection may take place outside the customs' zone based upon the request of the concerned persons or their agents and on their expense for reasons acceptable by the authority. In all cases, the authority may re-inspect the cargoes so long as the cargoes are under their supervision and has not finally released. All of the aforementioned shall be in accordance to what is determined by the executory regulation to this law.

**Article (60):**

Packages and containers may not be opened except in the presence of the concerned parties or their agents however the packages and containers may be opened pursuant to a written permission by the competent General Manager of the Customs or his designee upon suspicion of smuggled cargoes without the presence of the concerned parties or their agents after the lapse of five working days of their notice with a letter with acknowledgment of receipt or by any electronic means of judicial validity. Minutes of the said inspection shall be made by the committee formed for that purpose.

Nonetheless, packages and containers may be opened in cases of urgency by virtue of the decision of the competent General Manager of the Customs without the presence of the concerned parties or their agents for inspection and checking through a committee formed for that purpose.

**Article (61):**

The authority, cargo owners or their agents may request, after the submission of the customs declaration, the analysis of some cargoes to check their type, specifications or consistency with the supervisory systems at the expense of their owners.

The authority, cargo owners or their agents may object to the result of the analysis and request reanalysis at their expense in officially accredited laboratories so long as these cargoes are not of the types which results are affected by time. In such a case, the result of the analysis is final.

The executory regulation to this law shall determine the terms and regulations related to the application of the provisions of this article.

**Article (62):**

The competent supervisory authorities shall undertake the destruction of the rejected cargoes inside or outside the customs zone in the presence of the delegate of the authority and owner of the cargo or his agent. If the owner of the cargo or his agents fails to attend, minutes to that effect shall be made. In all cases, the destruction shall be made at the expense of the owner of the cargo.

If the supervisory authorities decided not to destroy the said cargoes for any reason for the greater good, the owner of the cargo shall re-export these cargoes.

The executory regulations to this law shall determine the regulations and procedures for the destruction or re-exportation of these cargoes and the duration for the aforementioned to take place as well as the cases of refund of the previously settled customs taxes after deduction of the stipulated dues.

**(Section Seven)**

**Complaints and Resolution of Customs Disputes**

**Article (63):**

The concerned party (*consignee*) may apply for a complaint for determining the type of the cargo, its origin or value. Committees shall be formed at the authority to decide upon the complaint where the decision of the committee shall be made pursuant to a decision issued by the Minister or his designee under the presidency of one of the employees of the authority that in the least is a general manager and the membership of two of the employees of the authority. The concerned party (*consignee*) or his representative may attend before the committee. The committee shall decide upon the complaint within seven working days as of the date of submission of the complaint application with a decision accompanied by the reasons for issuing same. If the concerned person accepts the decision of the committee within seven days of notification, minutes shall be issued in that regard and the authority shall commit to execution of the said decision.

The executory regulation to this law shall determine the regulations and business procedures of these committees.

**Article (64):**

Bearing in mind the provisions of the arbitration law in the civil and commercial articles issued by law No.27 for the year 1994, if the dispute continues between the authority and the concerned person and the latter person or his representative requested to refer the dispute to arbitration and the Minister or his designee approved, the dispute shall be referred to an arbitration panel formed under the presidency of one of the members of the judicial authorities or organizations who in the least shall be a counselor or one of the professors of the faculties of law who is registered in the arbitration schedule of the Ministry of Justice and the membership of an arbitrator of the authority to be chosen by the Minister or his designee together with another arbitrator chosen by the concerned person.

The arbitration panel shall issue its decision accompanied by the reasons for issuing same in the majority of votes provided that the decision shall include a statement of who shall bear the arbitration expenses. The panel decision shall be final and binding to both parties which is unappealable except for in the cases stipulated in the arbitration law in the mentioned civil and commercial articles.

The executory regulations to this law shall determine the expenses, rules and business procedures before the arbitration panels and remuneration of their members.

**Article (65):**

For a complaint or arbitration to be made pursuant to articles (63, 64) of this law, the cargo has to still be under the control of the authority except for in cases and pursuant to the terms and conditions determined by the executory regulations to this law.

**(Section Eight)**  
**Cargo Sale formalities**

**Article (66):**

The authority shall be entitled to sell the following:

- 1- Cargoes that have devolved to the authority as a result of settlement, confiscation or waiver.
- 2- Deposited cargoes in warehouses if their owners have not cleared, re-exported or moved these cargoes to a free zone, duty-free or special nature economic zone as of the date of expiry of the deposit duration as determined by the executory regulation to this law.

- 3- Deposited cargoes in temporary customs warehouses or on ports' quays if they have exceeded the stipulated period of stay as determined by the executory regulation to this law.

In case these cargoes are perishable or could sustain shortage, they cannot be kept except for the allowed duration as granted to the cargo condition. If the cargo has not been withdrawn before the expiry of the prescribed period by appropriate time estimated by the competent customs official. Minutes evidencing the cargo condition shall be made and then sale of the cargo shall be made directly.

- 4- Abandoned cargoes with unknown owners and they were unclaimed, if one month have passed since their abandonment.
- 5- Assets of cancelled projects by the Special Nature Economic Zones and free zones without prejudice to article (38) of the investment law issued by law No.72 for the year 2017.

**Article (67):**

The authority may sell perishable cargoes and items, those subject to spillage or shortage or animals that is kept as a result of a dispute or seizure before the issuance of a court order or a decision by the competent authority as the case may be.

The sale shall take place following evidencing the justifiable circumstances by minutes issued by the competent official of the authority.

If after the sale, a decision of innocence was rendered or a decision to return the cargoes to their owners by virtue of a final judgement or by issuance of decision to that effect by the competent authority, the remaining amount of the sale proceeds shall be returned to the cargo owner following deduction of the stipulated sums in article (69) of the law.

**Article (68):**

The stipulated sales in the aforementioned articles shall be carried out pursuant to the terms, conditions and regulations determined by the executory regulations to this law. Cargoes shall be sold free of customs taxes, other taxes and fees and other stipulated amounts to the public treasury following fulfillment of the supervisory restrictions. The cargoes shall be free of the import restrictions as well.

The banned cargoes shall be sold on the condition of re-exportation following the approval of the competent authority.

**Article (69):**

The sale proceeds shall be distributed pursuant to the following order:

- 1- Sale proceeds and expenses as spent by the authority of whatever type.
- 2- Customs tax.
- 3- Customs, fees and other amounts stipulated to the public treasury.
- 4- Storage fees.
- 5- Freight.

The remaining proceeds of the sale price shall be deposited in the public treasury. The owners of the cargoes shall be entitled to claim for these amounts within five years of the date of the sale.

As for the banned cargoes, the remaining proceeds of the sale price from these cargoes shall be entitled to the public treasury.

**Article (70):**

If the cargoes mentioned in items (2, 3) of the article (66) of this law have been offered for sale at least twice during three months and their owners did not withdraw them within the following three months as of their last offer for sale, the owners of the cargoes shall be considered as if they have abandoned the cargoes with the intention of waiver of ownership to the country provided notification of the aforementioned through a registered letter with acknowledgement of receipt or any electronic means with legal validity and the lapse of thirty days as of the date of the said notice.

The authority may dispose of the mentioned cargoes in the previous paragraph to governmental authorities, public body corporates or public use associations without a fee or against a fee to be agreed upon according to the rules and regulations issued by virtue of a decision by the Minister following the approval of the concerned parties.

In this case, the waived or disposed of cargoes shall be exempted from the customs tax, value added tax, taxes, fees and other stipulated amounts to the public treasury.

These cargoes shall be further exempted from the import restrictions stipulated in the import laws and decisions.

The executory regulations to this law shall determine the terms, conditions and regulations of application of the provisions of this article.

**(CHAPTER NINE)**  
**Crimes and Penalties**

**Article (71):**

Without prejudice to any harsher punishment stipulated by any other law, the vessels' masters or airplanes pilots and other means of transport or their representatives shall be penalized with a fine amounting to thirty thousand Egyptian pounds if they commit any of the following acts:

- 1- Not presenting the cargo manifest, their addenda or the declarations statement in articles (46, 47) of this law or delay in doing so from the set date.
- 2- Not listing what should be mentioned on the cargo manifest or listing invalid statement.
- 3- Transporting a vessel with a tonnage that is less than two hundred tons of banned cargoes or cargoes that is subject to expensive taxes or wandering about or violating traffic inside the domain of the customs control unless the aforementioned had arisen out of force majeure or maritime emergency.
- 4- Berthing / mooring of vessels in ports which are not fit for such purpose or in Suez Canal, its lakes, waterways or in the Nile estuary without the prior permission of the competent customs unless the aforementioned had arisen out of force majeure or maritime emergency.
- 5- Landing of airplanes in airports without customs offices except for cases of force majeure or sudden accidents.
- 6- Exiting of vessels, airplanes or other means of transport from the Customs Zone without the approval of the Department.
- 7- Discharging cargoes inside the Customs Zone in places which are not fit for such purpose.
- 8- Loading or discharging of cargoes inside the Customs Zone without the approval of the Department and the attendance of its employees.



**Article (72):**

Without prejudice to any harsher punishment stipulated by any other law, any person committing the following acts shall be penalized with a fine amounting to ten thousand Egyptian pounds:

- 1- Listing invalid data in the customs declaration if the aforementioned does not result in loss of the customs tax.
- 2- The non-adherence of the customs clearance agents, their assistants or authorized delegates to clear cargoes of the customs systems that determine duties without prejudice to their disciplinary responsibility.
- 3- The non-maintenance of the seals placed on packages, containers or means of transport without resulting in shortage or change in the cargoes.
- 4- Preventing the customs employees from performing their duties and exercising their right in inspection, demanding documents and perusing same inside the Customs Zone.
- 5- Violating the stipulated customs rules and regulations if the customs tax subject to loss does not exceed thirty thousand Egyptian pounds.

**Article (73):**

Any person who has caused, by way of negligence, a justifiable shortage to the cargoes other than that mentioned on the cargo manifest whatever the customs release system was shall be penalized with a fine equivalent to half of the customs tax subject to loss in addition to the due taxes and fees.

In case of unexplainable increase of cargoes in addition to an increase that is evident upon inventorying the temporary warehouses, stores, free zones, Special Nature Economic Zones or duty-free shops without being listed on the records, the originator shall be penalized with a fine equivalent to half of the stipulated customs tax on the excess cargoes.

**Article (74):**

Any person committing the following acts shall be penalized with a fine equivalent to the Customs Tax that is subject to loss:

- 1- Presenting incorrect data on the type of the cargo or its origin.

- 2- Violating the stipulated customs terms and procedures regarding transit cargoes, warehouses, free zones, economic zones with a private nature, duty-free shops, temporary release, temporary clearance, exemptions and other special customs systems.

Also, a fine equaling to half of the customs tax subject to loss shall be imposed in case of presenting data on the value for customs purposes in a way that decreases its value by more than (20%) provided that the Department adheres to the agreement on customs valuation.

**Article (75):**

Any person in violation of the provisions of article (8) and items (2, 5) of article (24) of this law or any person abstaining from presenting the customs tax shall be penalized with a fine equivalent to the Customs Tax. If the subsequent audit and review could not be carried out due to the abstention of the concerned person from carrying out the stipulated authorization referred to in article (9) of this law, a fine amounting to twenty thousand Egyptian pounds shall be imposed each time there is an abstention unless there are justified reasons acceptable by the Department.

**Article (76):**

The stipulated fine in the articles shall be imposed by virtue of a criminal order pursuant to the stipulated procedures in the criminal procedures law based upon the written request of the head of the Department or his designee.

The body corporate shall be considered liable as well together with the originator of the violation towards payment of the decided fine if the violation was made in his name or on his behalf.

The head of the Department or his designee may reconcile on the stipulated violations in articles (71, 72, 73, 74, 75) of this law before referral to the Public Prosecution against payment of half of the stipulated fines in these articles and against payment of the sum of the fine in full after the referral and before the rendering of a final criminal order. The reconciliation shall result in the extinction of the criminal lawsuit.

In all cases, the cargo shall be the guarantee for the payment of the fine in case of a violation by its owner or his representative.

**Article (77):**The following cases shall be considered smuggling:

- 1- Passengers concealing cargoes in their possession from the Customs department's officers upon their exit from or entry into the Customs Zone for the purpose of smuggling.
- 2- Discharge of cargoes in ports which are not fit for such purpose without the approval of the Department or jettisoning them overboard a vessel or the like in the domain of the maritime control or into the Suez Canal, its lake, waterways or into the Nile estuaries.
- 3- Discharge of cargoes from airplanes in airports which are not fit for such purpose without the approval of the Department or jettisoning them during air transport.
- 4- Unjustified loss or shortage or switching of in transit cargoes or cargoes deposited in the Customs Zones, stores, temporary warehouses, duty-free shops, free zones or special nature economic zones.
- 5- Concealment of cargoes or attempting to take the cargoes out of the Customs Zone or the free zones without carrying out the relevant formalities.
- 6- Presentation of forged or fabricated documents or invoices.
- 7- Concealment, effacement, removal of distinctive markings of cargoes or placing false markings on the cargoes or their covers.
- 8- The possession of foreign cargoes with the intention of trading knowing that the said cargoes have been smuggled or are in violation of the applicable systems regarding banned cargoes.
- 9- Transfer of ownership of the released cargoes according to one of the special customs systems or the fully or partially exempted released cargoes that is prohibited to dispose of pursuant to the applicable laws without the approval of the Department, payment of the due customs and fees and fulfillment of the import terms.
- 10- Disposal of the rejected cargoes by the supervisory authorities in violation of the systems in force regarding banned cargoes.

- 11- The possession of cigarettes, cigars, tobacco and alcohol that is tax exempted for the purpose of sale or offer for sale in any means or their presence in public shops.
- 12- Fictitious import of cargoes for the purpose of retrieval of the customs tax and other taxes or guarantees presented.
- 13- Manipulation of cargo samples made by the customs for the purpose of retrieval of the customs tax and other taxes or guarantees previously presented.

The committing of any other act for the purpose of getting rid of the due customs tax in full or in part or in violation of the systems in force regarding banned cargoes shall be treated in the same way as smuggling.

Evidencing the smuggling shall not be prevented by the non-seizure of the cargoes.

**Article (78):**

Without prejudice to any harsher punishment stipulated by any other law, any person who commits smuggling shall be penalized with incarceration and a fine which shall not be less than ten thousand Egyptian pounds and not exceeding one hundred thousand Egyptian pounds or with one of these penalties.

If the smuggling is for the purpose of trading, the duration of the incarceration shall not be less than three years and not more than five years and the fine shall not be less than twenty-five thousand Egyptian pounds and not exceeding two hundred and fifty Egyptian pounds or one of these penalties.

In all cases the doers and representatives of the body corporates responsible for the actual management that the crime was committed in their favor shall be jointly sentenced against with a compensation equivalent to double the evaded customs tax. If the cargoes, subject of the crime, are banned cargoes, the incarceration period shall not be less than two years and not more than five years and the compensation shall be equivalent to double the value or double the customs tax, whichever is bigger, in this case, the sentence shall include the seizure of the cargoes subject of smuggling. If the smuggled cargo is not seized, a judgement shall be rendered with the same amount as its value.

The Court may order the seizure of the confiscated cargoes if they are not banned as well as the means of transport, tools and materials used in the smuggling except for vessels and airplanes unless they have been prepared or chartered by their operators for that purpose.

The compensation shall be doubled in the previous cases if the perpetrator had previously committed another smuggling crime during the past five years and a final judgement of conviction has been rendered or if reconciliation over the act had been made.

A judgement of compensation and confiscation shall not prevent the rendering of a judgement of a harsher punishment in case the two crimes are connected. The cases of smuggling shall be decided upon before the courts on urgent basis.

In all cases, the crime of customs evasion shall be considered a dishonorable act and breach of trust.

**Article (79):**

Without prejudice to any harsher punishment stipulated by any other law, the provisions of the second, third, fourth, fifth, sixth and seventh paragraphs of article (78) of this law shall be valid on anyone who has retrieved or commenced in retrieving by way of deceit or forgery of the customs tax or any other tax or sums paid for its account or the guarantees presented for it in part or in full. The compensation shall be equivalent to double the sum subject of the crime.

**Article (80):**

The Public Prosecution or the competent court as the case may be, based upon the written request of the Minister or the head of the Department by authorization of the Minister, shall be entitled to order to cease the accused of committing the act of smuggling from dealing with the Department until a final judgement is rendered in the lawsuit.

Furthermore, dealing with anyone who has been sentenced with a final judgement in one of the stipulated crimes in this law shall be ceased until the sentenced punishment has been executed or the criminal case has expired by way of reconciliation.

**Article (81):**

A criminal lawsuit may not be filed in smuggling crimes except based upon the written request of the Minister or his designee.

The Minister or his designee may reconcile in crimes of smuggling even after the rendering of a final judgement by sixty days against payment of the compensation sum in full.

The seized cargoes shall be returned after payment of the customs tax and all other due taxes and fees on them where these cargoes are not banned; banned cargoes shall be re-exported by the concerned party (consignee) or destroyed on his expense pursuant to what is decided by the competent supervisory Department. Also, the means of transport, tools and materials used in the smuggling shall be returned.

The reconciliation shall result in the extinction of the criminal lawsuit and all consequential effects, as the case may be, and the Public Prosecution shall order the stay of execution of the criminal punishment if the reconciliation was carried out during its execution.

**Article (82):**

The proceeds of the sentenced or collected fines and compensations pursuant to the provisions of this law shall devolve to the Public Treasury. The cargoes subject of the crime, the means of transport, tools and materials used in the smuggling shall be guarantee for the fulfillment of the fines and compensations in case the crime was conducted by their owner or his representative.

The inbound cargoes in the previous paragraph may be released after payment of the value of the customs tax and all other taxes and fees. The due fines and compensations are paid as a security if not seized or required as evidence in a crime.

A percentage of the abovementioned proceeds in the first paragraph of this article shall be allocated by virtue of a Ministerial decree which shall not exceed (10%) of these proceeds to be distributed on the informants whoever caught the crime of customs smuggling or whoever assisted them in their discovery, seizure or in completion of the associated procedures.

**CHAPTER TEN**  
**Final Provisions**

**Article (83):**

Exchange of electronically protected data and information shall be allowed between the Department and the State Authorities or outside entities that have concluded an agreement or ratified protocol to that effect between them and the government of Arab Republic of Egypt.

The persons dealing with the customs Department may present documents and data and exchange same in the supported electronic methods without prejudice to the Electronic Signature Law.

The Department shall have the right to retain copies of the customs data, documents and records in electronically secured and supported methods. These copies shall be treated as originals as proof.

The executory regulation to this law shall determine the rules, terms and regulations related to the data and information exchange and the determined duration for their retention.

**Article (84):**

The Department shall commit to the application of the provisions of this law under a risk management system in place which is represented in all the procedures that enables it from obtaining the previous and necessary information to determine the risks for processing cargo movements whether import, export or transit to determine the customs procedures to be followed in accordance with the terms and conditions determined by the executory regulations to this law.

**Article (85):**

All sums of the customs tax and other taxes, fees and other sums due to the public treasury pursuant to the provisions of this law shall have a priority over all debtors' monies or persons liable to pay. The customs taxes shall be settled from the monies encumbered by this preferred debt under whichever hand before any other rights whether preferred or secured by an in-kind consequential right, except for judicial expenses.

**Article (86):**

A ministerial decree based upon the suggestion of the head of the Department may waive the due debts to the Department in application to the provisions of this law in the following cases:

If a final judgement has been rendered declaring the bankruptcy of the debtor and the bankruptcy was concluded.

If a final judgement has been rendered declaring insolvency of the debtor and it was ascertained that the debtor has no monies to be executed upon.

If the debtor passed away without estate.

Small debts overdue for over three years which shall be determined by a committee formed by a ministerial decree.

In all cases, the decision may be withdrawn if it was ascertained that it was based on deceit or fraud.

**Article (87):**

The cargoes contracted for under the electronic trade system shall be subject to the rules, terms and conditions mentioned in this law and its executory regulations.

**Article (88):**

All concerned governmental and non-governmental authorities to the customs operations shall commit to coordinate, link electronically and exchange information with the Department within the framework of application of the customs' single window system.

The Department shall further notify the concerned governmental authorities and bank sector through the electronic link system with the list of the customs evaders that final judgements of conviction have been rendered against.

All of the above shall be in accordance with what is determined by the executory regulation to this law.

**Article (89):**

Cargoes may be transported by using different modes of transport. The freight forwarder shall assume the responsibility for the cargoes until they reach their final destination as per the bill of lading. The executory regulation to this law shall determine customs rules and procedures of inbound cargoes under the multi-modal transport system.

**Article (90):**

The Department may authorize operation under the accredited economic operator system considering it as party to the international trade chain whether producer, importer, exporter, clearance agent, carrier, shipper or warehouse in coordination with the relevant concerned authorities. The executory regulation to this law shall determine the required terms to be available to authorize operation under the said system as well as the benefits that the authorized operator shall enjoy for the purpose of facilitating the release of his imported and exported shipments.

**Article (91):**

The executory regulation to this law shall determine the customs procedures related to dry ports.

**Article (92):**

The Minister shall be entitled to place special procedures, based upon the submission made by the head of the Department, according to certain regulations of the cargoes that enter or exits the Country and that are not subject to any of the mentioned customs systems in this law.