



Egypt: New Import Procedures/Measures

The Swiss authorities are aware of a number of administrative rules and procedures regulating imports into Egypt that have changed recently without prior consultations with stakeholders and trade partners. These new measures include registration and certification requirements, the requirement to legalize various documents, restriction of the free flow of payments as well as increased customs tariffs. These new measures represent serious difficulties to Swiss companies exporting to Egypt.

The Embassy of Switzerland in Egypt, the State Secretariat for Economic Affairs SECO and the Federal Customs Administration FCA, amongst others, have been in regular contact with relevant Egyptian authorities to clarify the matter. The Swiss authorities have also been consulting foreign embassies and related trade organizations in Egypt. Nevertheless, it seems most likely that exports to Egypt will be affected in the months to come. In the view of the Swiss authorities, these new measures restrict trade and raise questions with regard to their conformity with WTO law as well as with the Free Trade Agreement (FTA) between Egypt and EFTA.

Situation (as of 28.04.2016)

Based on information that Swiss authorities received from Swiss companies, the main problems when exporting to Egypt are linked to the requirements to register producers and to legalize invoices.

There are two registration requirements, one under Decree 991/2015, and one under Decree 43/2016. Decree 43/2016 introduces an obligation to register foreign manufacturing plants and trademark owners that export to Egypt, as well as an obligation to provide quality certificates. Registration with the *General Organization for Export and Import Control* (GOEIC, <http://www.goeic.gov.eg/en>) has to be made by a legal representative. Experience has shown that it is advisable to register at GOEIC in person and not via online application (GOEIC receives too many online applications to process them timely). Furthermore, the Swiss authorities recommend the companies concerned to stay aware of possible developments on the GOEIC website.

The Embassy of Switzerland in Egypt is available to take up sector specific or general questions on barriers to trade with the competent authorities. In addition, the Embassy of Switzerland – along with the Swiss Egyptian Business Association (SEBA) – will facilitate an exchange of experience among the Egyptian importers of Swiss products and Swiss companies based in Egypt to deal with topics such as registration, legalization of invoices, access to foreign exchange, etc.

Contact for Swiss companies

Should you encounter any problems when dealing with Egyptian Customs, please contact

- the **Embassy of Switzerland in Egypt**: Sabina Läderach, Third Secretary, Economic and Cultural Affairs (Tel. +2 02 2575 8284; sabina.laederach@eda.admin.ch)

For further clarification about the new Egyptian import measures and its subsequent rationale, we recommend contacting the relevant Egyptian authorities:

- the **General Organization for Export and Import Control** (GOEIC) in Egypt: Mr. Mohamed Taha: +202 22 666 826; m.taha@goeic.gov.eg
- the **Embassy of Egypt in Bern**: +41 31 352 80 12; embassy.bern@mfa.gov.eg
- the **Commercial Office of the Permanent Mission of Egypt in Geneva**: Tel. +41 22 731 65 30; mission.egypt@ties.itu.int

ANNEX: list of decisions by different entities affecting imports to Egypt

(Kindly note that while, according to the knowledge of the Swiss Authorities, the below information is considered to be correct and up to date as of 06.04.2016, the Swiss Government is not legally responsible in the event of errors, omissions or obsolescence. This list is provided as a service for which the Swiss Government assumes no responsibility.)

A) Decree 992/2015 and 43/2016 by the minister of trade

1. Decree 992/2015 has been amended by Decree 43/2016. All provisions of decree 992/2015 that contradict Decree 43/2016 are not valid anymore.
2. Decree 43/2016 offers more precision on the product coverage of decree by stating the concerned tariff lines.
3. In order to import into Egypt, a registration of the producing factory/company and of the trademark is required. The required documents depend on what will be registered. They have to be submitted with an Arabic translation and need to be legalized by the Consulate of Egypt in the exporting country.

A) Registration of a trademark or a brand:

- A certificate that shows the registration of the trademark
- In case of an umbrella brand: A list of all the brands produced under this trademark
- A list of the factories that produce under this trademark or for distribution centers: a certificate from the owner of the trademark that authorizes them to supply the product to the importers
- A certificate from the owner of the trademark showing that he applies a quality assurance system. This certificate has to be approved by standards acknowledged by the International Laboratory Accreditation Cooperation (ILAC) or the International Accreditation Forum (IAF). According to the Minister of Trade, no exceptions are possible. Trademarks that do not have such a certificate must first get one.

B) Registration of a factory:

- A copy of the license of the factory. For Switzerland, an extract of the Swiss commerce register seems to suffice (can be downloaded from http://zefix.ch/zfx-cgi/hrform.cgi/hraPage?alle_eintr=on&pers_sort=original&pers_num=0&language=1&col_width=366&amt=007)
 - A list of the manufactured products of the factory.
 - A certificate showing that the factory applies a quality assurance system. This certificate has to be issued by a body accredited by the International Laboratory Accreditation Cooperation (ILAC) or by the International Accreditation Forum (IAF). According to the Minister of Trade, no exceptions are possible. Factories that do not have such a certified quality system must first get one.
4. The producing companies in Switzerland will be registered and not the “official” importer in Egypt. Registration has to be made by the company through a legal representative (agent, authorized person, responsible manager, legal representative).
 5. After 15 March 2016 products from trademarks or factories that are not registered will not be allowed to enter into Egypt anymore. However, it will be possible to register beyond this date.
 6. Registration has to be done with GOEIC. GOEIC will open additional offices to provide a smooth registration process. There also is a possibility to start the registration process online on the website of GOEIC: <http://www.goeic.gov.eg/en>. For the registration, a fee of L.E. 300 (~ CHF 40) has to be paid. There will be no requirement to renew the registration regularly.
 7. According to GOEIC, the registration process only takes a few hours if all the documents are in order.
 8. A list of registered companies will be published.

B) Decree 991/2015 by the minister of trade

1. Decree 991/2015 mandates clearance of imports according to several possible procedures. Schematically, a company must first register to streamline the procedure. On top of that, shipments may need to be accompanied with documents showing conformity (incl. test results) issued by accredited bodies (pre-shipment inspection), or an inspection by the Egyptian authority must have taken place.
2. The decree states the consequences if a pre-shipment examination of the shipment was carried out and if the goods of the shipment are still found not compliant with Egyptian standards during random border check. In that case, the collaboration with the company or entity responsible for the examination of the goods prior to shipping shall be stopped for a certain period.
3. If necessary, a pre-shipment inspection certificate approved by standards acknowledged by ILAC must be sent with all shipments.
4. The new decree entered into force on the 30 December 2015 (day of its publication), later this was postponed to coincide with the entry into force of decree 992/2015 amended by decree 43/2016 in mid-march.
5. The list of products touched by Decree 991/2015 coincides with the list mentioned in Decree 992/2015
6. The exact template for the documents that have to be submitted are not clear as of yet.

C) Circular 202 for the year 2015 by the Customs Authorities

1. Circular 202 states the following:
 - a. *All packages must be labeled showing:*
 - Name of manufacturer with complete contact data (address, phone, fax, e-mail)
 - If a trading company is the exporter, then both names and details of the manufacturer and the exporter are to be labeled
 - Country of origin
 - Description of contents
 - Gross and net weight.
 - b. *Certificate of Movement (Eur.1, Eur-Med, ... etc) or Certificate of origin must be legalized at the Chamber of Commerce of the exporting country*
 - c. *Invoice must be legalized at the Chamber of Commerce of the exporting country*
 - d. *Invoice must show delivery terms (FOB, CFR, ... etc.), detailed value (value of goods, sea freight, insurance in any, ... etc.)*
 - e. *Invoice must show payment terms.*
2. Point 6 of the Circular states that there are certain exceptions based on Art. 12 of the Customs Law Executive Regulations No 10/2016. Both documents don't name the EFTA-Egypt Free Trade Agreement explicitly; however Egyptian Customs Authorities confirmed orally that preferential products originating from EFTA states are exempted from the request to legalize the certificate of proof of origin by the Consulate of Egypt of the exporting country. However, the Swiss Authorities do not have any written confirmation of this exemption. Furthermore, according to the Egyptian Customs, the legalization of the original invoice by the Chamber of Commerce of the exporting country is mandatory also for exports from EFTA states.

D) Decision by the Central Bank of 21 December 2015, completed by decision of 27 January 2016, completed by the decision of 22 February 2016

1. Starting 21 January 2016 for any import transaction, documents should be sent through Bank To Bank only; banks have to comply maximum by 21 January 2016.
2. Starting 21 January 2016 import transactions for trading purposes must be 100% cash covered in same currency. For certain strategic goods, a security deposit in local currency would be admitted.
3. Trading in the following goods are excluded from the requirement to transfer documents from bank to bank only:
 - a) *Branches or companies affiliated to foreign companies*
 - b) *Live birds and animals*
 - c) *Production requisites and raw materials, and spare parts imported to factories through air freight*
 - d) *All the goods and products imported through air freight*
 - e) *Software, applications, computers and their requisites.*
4. Trading in the following goods are excluded from the 100% cash cover:
 - a) *Basic and supply foodstuffs inclusive of powdered milk and infant formula*
 - b) *Machinery, production equipment and spare parts*
 - c) *Intermediate commodities, production requisites and raw materials, including devices, equipment, medical materials, software, applications, computers and their requisites*
 - d) *Medicines, vaccines and their chemicals.*
5. Except for the above mentioned goods, the 100% cash cover is required for any import transaction for trading purposes including:
 - a) *Traders of any goods*
 - b) *Any governmental entity*
 - c) *Importation transactions carried out by manufacturers /service providers for trading purposes.*
6. Banks are prohibited to finance the cash cover even on fully secured basis, the same applies for refinance.
7. As regards the documentary credits opened for importing commodities for purposes other than trading (capital commodities, production requisites, materials...) those credits shall be under no restriction except the customary banking rules.
8. Entry into force on 21 January 2016.
9. According to preliminary information: if the full documents are sent through the bank, they are considered legal for the central bank.
10. New publications dated 27 January 2016 and 22 February 2016 clarify certain details.

E) Decision by the Central Bank of 26 January 2016 and 8 March 2016

1. Maximum limit of cash deposits are increased for juridical persons to USD 250'000 per month without maximum limit per day for some products:
 - a) *Basic food and supply commodities*
 - b) *Machinery, production equipment and spare parts*
 - c) *Intermediate commodities, production requisites and raw materials*
 - d) *Medicines, vaccines and their chemicals.*
2. For all other products, there are no changes: USD 50'000 maximum per month, USD 10'000 maximum per day.
3. Maximum limit of cash deposits and withdrawals in foreign exchange has been cancelled for natural persons but remain in place for juridical persons.

F) Presidential Decree of 26 January 2016 concerning customs duties

(no translation available yet)

1. The Swiss authorities have been informed that as of 26 January 2016, customs duties of a large number of items were increased.
2. The Minister of Trade confirmed that this decision will not affect preferential customs duties regulated by Free Trade Agreements.