Import Requirements and Documentations In Egypt

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# Documents to import

<table>
<thead>
<tr>
<th>Bill of lading</th>
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</thead>
<tbody>
<tr>
<td>Certificate of Origin (must to be legalised by Egypt Embassy)</td>
</tr>
<tr>
<td>Commercial invoice</td>
</tr>
<tr>
<td>Customs import declaration</td>
</tr>
<tr>
<td>Inspection report</td>
</tr>
<tr>
<td>Packing list</td>
</tr>
<tr>
<td>Customs procedural certificate</td>
</tr>
<tr>
<td>form of financing imports for trading or production purposes)</td>
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<tr>
<td>Delivery Order</td>
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</tbody>
</table>
**Import Requirements and Documentations**

For an imported shipment to be accepted at Customs in Egypt, the shipment must have the following documents:

**Commercial Invoice** - Two copies plus the original document are required. Legalization by the Egyptian consulate in the country of origin is required in most cases.

**Certificate of Origin** - Two copies plus the original document are required. The Certificate of Origin must be authenticated by the Egyptian consulate in the country of origin. Natural products are considered to originate in the country where the goods are extracted. The Certificate of Origin must bear a statement that the information given is true and correct to the best of the shipper's knowledge.

**Packing List** - packing list may be required by the consignee and is recommended in most cases.

**Bill of Lading** - the number of bills of lading required depends upon the carrier. There are no regulations specifying the form or number of bills of lading required for shipment. A bill of lading must show the name of the shipper, the address and the number of bills of lading issued.
Pro Forma Invoice - this is an invoice required by the importer for submission along with the import license. It must show the country where the goods were manufactured.

Letter of Credit - The Central Bank of Egypt in March 1999 advised all banks operating in Egypt that L/Cs must be covered 100% in cash by the importer, except in importing some food items. This replaced the previous procedure whereby banks and their clients reached their own agreements and covered, usually 10-20% of L/C’s value. In general, the exporter may not ship the goods before the Egyptian bank has notified the opening of a L/C. If the goods are shipped before the L/C is opened, the importer runs the risk of being fined up to a maximum of the value of the goods. If the importer does not bear the cost, then the exporter will have lost the value of such a shipment, and in the case of products with a shelf-life, the delay at the customs can mean that even if the exporter (e.g. a U.S. company) wanted to take back the shipment, it’s no longer of any use.

Content Analysis of the Commodity – Required for those products that may be subject to standards testing.
Import Tariffs in Egypt

In 2004, the Egyptian government reduced the number of ad valorem tariff bands from 27 to 6, and later down to 5. The government also dismantled tariff inconsistencies, rationalized national sub-headings above the six-digit level of the Harmonized System (HS), and eliminated services fees and import surcharges ranging from 1 percent to 4 percent. The government reduced its 13,000 line tariff structure to less than 6,000 tariff lines. These and other changes have significantly reduced requests for customs arbitration over the past five years.

Over the past three years, Egypt has significantly reduced overall tariff rates. In February 2007, a presidential decree reduced import tariffs on 1,114 items, including foodstuffs, cloth, raw materials, and intermediate and final goods. The government also adopted the World Customs Organization (WCO) HS-2007 for classifying commodities.

In April 2008, Presidential Decree 103 further reduced customs tariffs on several items including processed foods, agricultural goods, paper products, and some durable household goods, and eliminated completely tariffs on steel rebar, cement (portland, aluminous, hydraulic, and white), toilet paper, and similar paper items.
As part of the government’s stimulus package in February 2009, Presidential Decree 51/2009 amended the customs tariff schedule for 250 items, lowering import duties on many items and removing entirely duties on some raw materials and capital and intermediate goods such as inputs for spinning and weaving products. While Decree 51 generally lowered tariffs, it increased tariff rates on some basic chemicals, rubber and bamboo manufacturing products, some basic machinery, and medical equipment. The changes in the tariff schedule in Decree 51 have been described by the Egyptian government as temporary stimulus measures, and may be reversed in the future.

The reforms of the past three years reduced overall weighted tariff average from 14.6 percent to 5.5 percent. Tariffs on the vast majority of goods entering Egypt are below 15 percent. Vehicles, alcohol, and tobacco are the only items on which tariffs are still 40 percent or greater. Passenger cars with engines under 1,600 cc are taxed at 40 percent; cars with engines over 1,600 cc at 135 percent. In addition, cars with engines over 2,000 cc are subject to an escalating sales tax of up to 45 percent. Clothing also faces relatively high tariffs, although the 2007 decree reduced the rate from 40 percent to 30 percent.
Significant barriers to the entry of agricultural products remain, particularly for those of animal origin, and the government still occasionally makes abrupt import regime changes without notification or opportunity for comment. In July 2006, the tariff rate on poultry was reduced from 32 percent to zero, but in March 2007, the government reimposed the 32 percent tariff. It is permitted to import only whole chickens, yet not parts. There is a 300 percent duty on wine for use in hotels, plus a 40 percent sales tax. The tariff for alcoholic beverages ranges from 1200 percent to 3000 percent.

Foreign movies are subject to duties and import taxes amounting to 46 percent, and are subject to sales taxes and box offices taxes higher than those for domestic films.
Temporary Imports

In general, Egyptian customs allows for commercial samples and temporary imports for display purposes at officially recognized exhibitions or for sales promotion activities to enter the country duty free, with the exception of goods that are cited on the list of prohibited imports. Certain conditions do apply, however.

Medical samples must comply with the rules for the importation of pharmaceuticals, and samples of foodstuffs must comply with the relevant health regulations. In certain cases, goods imported on a temporary basis may be disposed of or sold in Egypt upon payment of the appropriate customs duty plus an extra tax of 10% per month after clearing customs.

On re-exportation of goods imported under temporary import regulations, companies should ensure that correct documentation and return of the letter of guarantee is obtained from the Egyptian Customs in order to avoid claims against the company at a later stage. Printed advertising materials, such as catalogs, posters, or films, may also be imported duty free in small quantities.
Drawback System

Exporters may also take advantage of the drawback system. This procedure is different from the temporary admission system in that full customs duties are paid on the imported materials and the manufacturer does not fill out a special form with Customs. However, there is a one-year time requirement to re-export these imports as part of a final product in order to have the right to reclaim the full amount of the duties paid as well as other taxes such as the sales tax.

This procedure is cumbersome and refunding may take up to six months for processing. The agencies administering the program are tasked with the responsibilities of determining and then repaying the drawback amount. The Industrial Surveillance Authority carries out the first task, while the Customs Authority carries out the second. A delegate from Customs has to be present during the manufacturing process. To refund the amount paid, several administrative requirements must be satisfied:
• Details, such as quantities and materials used in manufacturing a unit of the exported products, must be provided to enable Customs to calculate the drawback rate;
• Proof of duties paid on the imported quantities must be furnished in order to collect an allowance in the drawback rate for wastage and scrap, quantities of such must be verified.

In addition, the following documents must be provided:
• Customs import release certificate
• Certificate of export of product
• Export permit
• Registered deed of sale from the original importer
• Customs clearance certificate

To speed up the reimbursement process, the Egyptian Government introduced in October 1999 a new "tax rebate" system, by means of which exporters could be reimbursed according to pre-specified rates for each industry. The tax rebate system currently covers more than half of the major exported commodities.
Labeling and Marking Requirements in Egypt

Finished goods that are imported for retail sale must have the product's country of origin, the producer's name and product description in Arabic in a clearly visible place on the packaging. Special regulations exist for some items, including foodstuffs, pharmaceuticals and textiles.

Food imports face a number of burdensome labeling and packaging requirements. Poultry and meat products must be shipped directly from the country of origin to Egypt and sealed in packaging with details in Arabic both inside and outside the package. This requirement raises processing costs and discourages some exporters from competing in the Egyptian market.

Appropriate packaging must be provided for food products. These should be clean and odorless, so as preserve the product and prevent damage occurring. Production and expiry dates must be clearly displayed on the product's packaging. The information should be printed in Arabic on the package using indelible type, but stuck on labels will normally be accepted as well.

Production and expiration dates must be clearly shown on the package. Information on the label cannot be easily erased, scratched or altered. Information must be written in Arabic as well, and weights and measures must be shown using the metric system.
Dates are accepted in English, but the words "production" and "expiry" must be written in Arabic. The label must include:

- Name and address of manufacturer;
- Brand or trade mark (if applicable);
- Country of origin;
- Type of product;
- Name and address of importer;
- Production and expiration dates;
- Product use instructions (optional);
- Ingredients;
- Storage instructions or storage temperature;
- Net weight;
- Gross weight and total number of packages per case or carton;
- If preservatives are being used- percentages of each preservative must be indicated;
- If meat or poultry, the statement that the meat "is slaughtered according to Islamic ritual" or "“Halal," must be included; and
• For meat or poultry, all products must be in packaged and sealed bags. Labels must be inserted inside the package as well as on the outside. The label on the meat must include the following:
  1) Country of origin
  2) Producer’s name and logo
  3) Name of slaughterhouse
  4) Slaughter date
  5) Name and address of importer
  6) Name of entity, which issued the “Islamic slaughter” definition.

The above documents must be legalized and endorsed by the Egyptian consulate in the country where the product is originated.
Packaging requirements:

Article 74 of the Import and Export regulations stipulates that the package should be fit for preserving the product, and the product should occupy the space of the container in full. If a container is wooden, the container itself should be accompanied by an official certificate that states it is free from wood-harmful pests and insects.

Data that appears on equipment, tools and machinery should be identical to those appearing on the package. The country of origin should be indicated on each item and be non-erasable. They should be accompanied with an Arabic-language catalogue indicating the following:

- An illustrative design of the parts.
- Mode of assembly and operation.
- Maintenance procedures.
- Electrical circuits for electrical equipment.
- Safety measures.
Products prone to rust and corrosion should be painted with a special protective paint. Check that the labeling on the goods conforms to the current Egyptian labeling regulations for the product in question.

Be aware that packaging and import description discrepancies can lead to payment default.

Textile fabric was also subject to costly and complicated labeling requirements. Egypt ended the requirement that the country of origin must be identified in a continuous band along the entire length of the imported fabric. However, imported textiles are subject to quality control examination by a committee made up of members representing the domestic spinning and weaving industries. This group also has some influence with Egyptian Customs in setting the duties that are imposed. The labeling requirement for textile fabric was canceled while labeling requirements for imported garments mandate basic information on tags similar to foreign garments. In addition, fabrics are no longer subject to testing, and measures requiring that apparel labels be written in Arabic to include importer information were eliminated. Egypt also committed to expedite the customs clearance process for apparel and textile imports.
Summary of import documents in Egypt

<table>
<thead>
<tr>
<th>Procedures to import</th>
<th>Time (days)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents preparation</td>
<td>8</td>
<td>215</td>
</tr>
<tr>
<td>Customs clearance and technical control</td>
<td>1</td>
<td>90</td>
</tr>
<tr>
<td>Ports and terminal handling</td>
<td>1</td>
<td>220</td>
</tr>
<tr>
<td>Inland transportation and handling</td>
<td>2</td>
<td>230</td>
</tr>
<tr>
<td>Totals</td>
<td>12</td>
<td>755</td>
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