

**INFORMATION ON IMPLEMENTATION AND ADMINISTRATION OF THE
AGREEMENT ON CUSTOMS VALUATION**

Checklist of issues

EGYPT

The following communication, dated 13 April 2007, is being circulated at the request of the delegation of Egypt.

1. Questions concerning Article 1:

(a) Sales between related persons:

(i) *Are sales between related persons subject to special provisions?*

Sales between related persons are subject to article 19 of the Customs Executive Regulation issued by the Ministerial Decision No. 10 for year 2006.

(ii) *Is the fact of intercompany prices prima facie considered as grounds for regarding the respective prices as being influenced?*

According to Article 19 of the Ministerial Decree no. 10 for year 2006, the competent Customs Directorate shall examine the circumstances surrounding the transaction to ensure that the relationship did not influence the price of the goods being valued and as a result the transaction shall be accepted.

(iii) *What is the provision for giving the communication of the afore-mentioned grounds in writing if the importer so requests? (Article 1.2(a))*

According to Article 19 of the Ministerial Decree no. 10 for year 2006, the importer shall be given an opportunity to respond, after consulting with the relevant manager of the complex within a period not exceeding 30 days.

(iv) *(iv) How has Article 1.2(b) been implemented?*

Article 1.2(b) has been implemented by means of Article 19 (a) and (b) of the Ministerial Decision no. 10 for year 2006.

(b) Price of lost or damaged goods:

Are there any special provisions or practical arrangements concerning the valuation of lost or damaged goods?

Although, there are no provisions in the WTO Customs Valuation Agreement pertinent to this subject, the Egyptian Customs treats goods replacing the previously imported lost or damaged goods by means of article 13 of the executive regulation for law no. 186 for year 1986 and its amendments regulating the exemption system. This article stipulates that consignment of goods replacing the previously imported lost or damaged goods (hereafter referred to the consignment in question) shall be exempted from custom duties provided that:

- The customs declaration of the original consignment proves that the custom duties have been paid on this original consignment. The invoice and bill of lading demonstrating that the current consignment replaces lost or damaged goods in a previous consignment that has been accepted or denied.
- The consignment in question should have no incremental additional charges and should arrive in a period not exceeding one year of the date of the arrival of the original consignment. The one year period may be extended for another one year for substantial reasons to be accepted by the head of the customs authority or the head of the central directorate or the relevant general manager.
- The consignment should be received from abroad by the name of the original importer.
- The relevant customs site shall ensure the re-export or dispatch of the original consignment under the supervision of the customs authority before exempting the consignment in question from the customs duties. The original consignment may be re-exported within a period of 3 months from the date of release of the consignment in question for substantial reasons to be accepted by the head of the customs authority or the head of the central directorate or the relevant general manager. .

2. How has the provision of Article 4 to allow the importer an option to reverse the order of application of Articles 5 and 6 been implemented?

The implementation of the provision allowing the importer an option to reverse the order of application of Article 5 and 6 has been done under the provisions of Article 24 of the Ministerial Decree no.10 for year 2006.

3. How has Article 5.2 been implemented?

Article 5.2 has been implemented by means of Article 25(b) of the Ministerial Decision no. 10 for year 2006.

4. How has Article 6.2 been implemented?

No specific provision has been made regarding the implementation of this article. However, it is a generally understood concept under the provisions of the Egyptian constitution that all of the elements of the customs valuation agreement, having been ratified by the Peoples' Assembly in 1995 and the relevant Presidential Decree no. 72 for year 1995 published in the national gazette in 12/6/1995, takes primacy over the national laws.

5. Questions concerning Article 7:

- (a) What provisions have been made for making value determinations pursuant to Article 7?

The provisions that have been made for making value determinations pursuant to Article 7 are Articles 27 and 28 of the Ministerial Decision no. 10 for year 2006.

- (b) What is the provision for informing the importer of the customs value determined under Article 7?

The provision for informing the importer of the customs value determined under Article 7 is Article 27 of the Ministerial Decision no. 10 for year 2006.

- (c) Are the prohibitions found in Article 7.2 delineated?

Yes, they are under Article 28 of the Ministerial Decision no. 10 for year 2006.

6. How have the options found in Article 8.2 been handled? In the case of f.o.b. application, are ex-factory prices also accepted?

Options found in Article 8.2 have been handled by means of Article 14 of the Ministerial Decision no. 10 for year 2006. This case is not applicable because Egypt doesn't use the F.O.B.

7. Where is the rate of exchange published, as required by Article 9.1?

The rate of exchange is published in the national gazette as per the Central Bank closing rate of exchange of the respective foreign currency on the last working day prior to the date of registration of the Customs declaration, and this is according to Article 22 of Law No. 95 for the year 2005 to amend some of the provisions of the customs law issued by law No.66 for the year 1963 and Article 35 of the Ministerial Decree no. 10 for year 2006.

8. What steps have been taken to ensure confidentiality, as required by Article 10?

The protection of confidential information as required by Article 10, is conferred upon by Article 32 of the Ministerial Decision no. 10 for year 2006.

9. Questions Concerning Article 11:

- (a) What rights of appeal are open to the importer or any other person?

The right of appeal are open to the importer or whoever he legally authorizes according to Article 34 of the Ministerial Decision no. 10 for year 2006, against the decision of the Customs post to the relevant post manager, general director or head of central directorate before restoring to arbitration.

- (b) How is he to be informed of his right to further appeal?

The right of appeal is to be informed to the importer according to Articles 21, 33 and 34 of the Ministerial Decree no. 10 for year 2006, and Article 23 of Law No. 95 for the year 2005 to amend some of the provisions of the customs law issued by law No.66 for the year 1963.

10. Provide information on the publication, as required by Article 12, of:

(a)

(i) *The relevant national laws:*

They are published in the Official Gazette and the Egyptian Customs website (www.customs.gov.eg).

(ii) *The regulations concerning the application of the Agreement:*

They are published in the Official Gazette and the Egyptian Customs website (www.customs.gov.eg).

(iii) *The judicial decision and administrative rulings of general application relating to the Agreement:*

The judicial decisions and administrative rulings are not generally published.

(iv) *General or specific laws being referred to in the rules of implementation or application.*

See above.

(b) Is the publication of further rules anticipated? Which topics would they cover?

No, at the moment they are not anticipated.

11. Questions concerning Article 13:

(a) How is the obligation of Article 13 (last sentence) being dealt with in the respective legislation?

The obligation of Article 13 (last sentence) is being dealt with by Article 31 of the Ministerial Decree no. 10 for year 2006.

(b) Have additional explanations been laid down?

No, there are no additional explanations.

12. Questions concerning Article 16:

(a) Does the respective national legislation contain a provision requiring customs authorities to give an explanation in writing as to how the customs value as determined?

Yes, a provision requiring customs authorities to give an explanation in writing as to how the customs value as determined is stated in Article 21 of the Ministerial Decree no. 10 for year 2006 which reconfirms the right of the importer to be informed in writing.

(b) Are there any further regulations concerning an above-mentioned request?

No, there are no further regulations concerning the above-mentioned request.

13. How have the Interpretative Notes of the Agreement been included?

No specific provision has been made regarding the implementation of this article. However, it is a generally understood concept under the provisions of the Egyptian constitution that all of the elements of the customs valuation agreement, having been ratified by the Peoples' Assembly in 1995 and the relevant Presidential Decree no. 72 for year 1995 published in the national gazette in 12/6/1995, takes primacy over the national laws.

14. How have the provisions of the Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods been implemented?

The provisions of the Decisions on the Treatment of Interest Charges in the Customs Value of Imported Goods have been dealt with in Article 16 (h) of the Ministerial Decree no. 10 for year 2006.

15. For those countries applying paragraph 2 of the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment, how have the provisions of this paragraph been implemented?

The decision is not reflected in the Egyptian regulations and laws, as Egypt does not apply paragraph 2 of the said Decision.
