



27 January 2022

(22-0644)

Page: 1/4

Original: English

**EGYPT – REGISTRATION REQUIREMENTS RELATING TO THE IMPORTATION
OF CERTAIN PRODUCTS**

REQUEST FOR CONSULTATIONS BY THE EUROPEAN UNION

The following communication, dated 26 January 2022, from the delegation of the European Union to the delegation of Egypt, is circulated to the Dispute Settlement Body in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of the Arab Republic of Egypt pursuant to Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Article XXII of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"), Article 19 of the Agreement on Agriculture ("Agriculture Agreement") and Article 6 of the Agreement on Import Licensing Procedures ("Import Licensing Agreement") concerning the registration requirements imposed by the Arab Republic of Egypt ("Egypt") affecting the importation of certain categories of goods ("the products at issue")¹ from the European Union ("the EU") into Egypt.

1. MEASURES AT ISSUE

Since 2016, Egypt subjects the importation of the products at issue to prior registration of foreign factories or companies owning trademarks and wishing to import the products at issue into the customs territory of Egypt. The registration measure requirement covers 29 categories of goods

¹ The measures cover 29 categories of products falling under the following HS-codes: from Subheading 04.01, 04.02, 04.03, 04.05, 04.06 – dairy and their products (other than infant formula) put up for retail sale for direct consumption in packages of a gross weight not exceeding 2 kg; from Chapter 8 – preserved or dried fruits put up for retail sale for direct consumption in packages of a gross weight not exceeding 2 kg; from Chapter 15 – oils and fats put up for retail sale in packages of a gross weight not exceeding 5 kg; Subheading 17.04; from Subheading 18.06 – chocolate and food preparations containing cacao put up for retail sale for direct consumption in packages of a gross weight not exceeding 2 kg; Subheading 19.02, 19.04, 19.05; Subheading 20.09; Subheading 22.01, 22.02; Subheading 33.03, 33.04, 33.05, 33.06, 33.07; Subheading 3401.11, 3401.19, 3401.2090, 3401.30, 3402.20, 3402.9090; Subheading 39.24, 4419, 69.11, 69.12, 73.23, 7418.10, 7615.10, 8211.10, 8211.91, 82.15; Subheading 3922.10, 3922.20, 69.10, 7324.10, 7324.21, 7324.29, 7418.20, 7508.9020, 7615.20; Subheading 9619, other than 4818.1090, 48.18, 4803; Subheading 6802.10, 6802.2110, 6802.9110, 6904.40, 6810.19, 69.07, 69.08; Subheading 70.13; Subheading 72.13 to 72.15; Subheading 73.21, 73.22, 8414.51, 8415.10, 4815.81, 8415.82, 8415.83, 8418.10, 8418.21, 8418.29, 8418.30, 8418.40, 8422.11, 8450.11, 8450.12, 8450.19, 8451.21, 8508.11, 8509.40, 8509.80, 8516.10, 8516.21, 8516.32, 8516.40, 8516.50, 8516.60, 8516.71, 8516.72, 8516.79, 8527.12, 8527.13, 8527.19, 8527.91, 8527.92, 8527.99, 8527.71, 8528.7220, 8528.7290, 8528.73; Subheading 9401.30, 9401.40, 9401.51, 9401.59, 9401.61, 9401.69, 9401.7190, 9401.79, 9401.8090, 94.03, 94.04; Subheading 87.11, 87.12; from Chapter 91 – clocks and watches; Subheading 9405.10, 9405.20, 9405.30, 9405.4090; Subheading 9503; Subheading 50.07, 51.11, 51.12, 5113, 52.08, 52.09, 52.10, 52.11, 52.12, 53.09, 5311, 54.07, 54.8, 55.12, 55.13, 55.14, 55.15, 55.16, 58.01, 58.02, 58.04, 58.05, 58.09, 5810.1090, 5810.91, 5810.92, 5810.99, Chapter 60, Chapter 61 (other than items 6113.0010, 6114.3010, 6115.10, 6116.1010), Chapter 62 (other than items 6210.1010, 6210.2010, 6210.3010, 6210.4010, 6210.5010, 6211.3910, 6211.4910, 6212.2010, 6212.9010, 6216.0010, 62.17), Chapter 63 (other than item 63.07); Chapter 57, Subheading 39.18, 4016.91; Subheading 64.01, 64.02, 64.03, 64.04, 64.05; from Subheading 4202.11, 4202.12, 4202.19, 4202.21, 4202.22, 4202.29 – cases; from Subheading 48.19, 39.23 – articles for the conveyance and packing of goods (cases, boxes, bags and similar articles); Subheading 8212.10, 8212.2010, 8516.31, 8516.32, 8510.10, 8510.20, 8510.30; Subheading 8517.11, 8517.12.

including agricultural and food products, cosmetics, toys, textiles, garments, household appliances, furniture and ceramic tiles. The legislation at issue prohibits the importation of the products concerned in the absence of approved registration.

As part of the registration procedure, Egypt requires foreign factories or companies owning trademarks to submit a number of documents such as legal entity certificate, list of products being produced and exported as well as their trademarks, trademark(s) certificate and certificate of quality control system (typically ISO-9001 certificate which is not mandatory in the EU).

In addition, the processing of applications implies the following with respect to the products at issue originating in the EU: (a) employing an intermediary or agent in Egypt as a legal representative for the submission of documentation; (b) submission of the registration form by the legal representative; (c) translation of the required documentation through a certified translator from the language concerned into English; (d) legalisation of documents at the exporting country's Chamber of Commerce and at the Consulate of Egypt; (e) translation of documentation into Arabic; and (f) submission of documentation by the legal representative in Egypt.

The applications for the registration are processed and verified by the General Organization for Export and Import Control ("GOEIC"), the Egyptian state authority directly supervised by Egypt's Minister of Trade and Industry. Following the verification of the application by GOEIC, Egypt's Minister of Foreign Trade decides to approve, suspend or cancel the registration, while having at all times an absolute discretion to grant exemption from any or all of the above described registration conditions. There are no deadlines foreseen for processing the registration applications, so that the submission of complete required documentation to GOEIC does not ensure immediate registration. The registration procedure does not include an appeal procedure.

The complexity of requirements and procedures for the approval of registration make the registration process administratively burdensome, non-transparent, costly and time-consuming.

Furthermore, in practice, the registration procedure is affected by lack of transparency and failure to process applications. There have indeed been long delays in registration of products at issue originating in the EU and in some cases the applications have not been responded to and have been pending for several years. Because of the Egyptian authorities' failure to process applications, some of the documentation submitted with the applications have expired and Egypt has used this as an excuse to further delay registration by requesting the applicants to resubmit valid documentation under threat of dismissing the pending applications.

Having regard to the above, the measures at issue in this consultation request are the following:

First, the prior registration of foreign factories or companies owning trademarks and wishing to import the products at issue into the customs territory of Egypt as a condition for importation.

Second, the registration procedure of foreign factories or companies owning trademarks and wishing to import the products at issue into the customs territory of Egypt that is administratively burdensome, non-transparent, costly and time-consuming.

Third, the Egyptian authorities have failed to process a number of applications for registration by EU companies and to keep the applicants informed on the status of those applications.

2. LEGAL AND OTHER INSTRUMENTS RELEVANT TO THE MEASURES AT ISSUE

The measures at issue are evidenced, *inter alia*, by the following legal instruments considered alone or in any combination, as well as by their practical application by the relevant authorities:

- Decree of Minister of Trade and Industry No. 992 of 2015 (Decree No. 992 of 2015) concerning the rules governing the registration of the factories eligible to export their products to the Arab Republic of Egypt;
- Decree of Minister of Trade and Industry No. 991 of 2015 (Decree No. 991 of 2015) concerning special conditions regarding the importation of certain commodities;

- Decree of Minister of Trade and Industry No. 43 of 2016 (Decree No. 43 of 2016) concerning the amendment of the rules governing the registration of the factories eligible to export their products to the Arab Republic of Egypt; and
- Decree of Minister of Trade and Industry No. 44 of 2019 (Decree No. 44 of 2019) amending the Decree of Minister of Trade and Industry No. 43 of 2016 concerning the amendment of the rules governing the registration of the factories eligible to export their products to the Arab Republic of Egypt.

For each of the instruments referred to above, this request also covers any annexes, appendixes, attachments or schedules to the instruments listed above and any further amendments, supplements, replacements, extensions, implementing measures or other related measures.

3. LEGAL BASIS FOR THE COMPLAINT

The measures at issue, separately and in any combination, appear to be inconsistent with Egypt's obligations under GATT 1994, the Agreement on Agriculture and the Import Licensing Agreement, in particular:

- Article XI:1 of GATT 1994, because, by imposing the measures at issue Egypt has instituted and maintained prohibitions or restrictions other than duties, taxes or other charges, made effective through import licences or other measures, on the importation of products at issue originating in the EU;
- Article VIII:1(c) of GATT 1994, because, by imposing the measures at issue Egypt has failed to minimize the incidence and complexity of import formalities and to decrease and simplify import documentation requirements;
- Article VIII:3 of GATT 1994, because, by imposing the measures at issue Egypt has imposed substantial penalties for minor breaches of procedural requirements;
- Article X:1 of GATT 1994, because, Egypt has failed to publish all laws, regulations, judicial decisions and administrative rulings of general application relating to the measures, and in such a manner as to enable governments and traders to become acquainted with them;
- Article X:3(a) of GATT 1994, because by implementing the registration process without transparency, failing to process and reply to applications and through long delays Egypt has failed to administer in a uniform, impartial and reasonable manner its requirements on imports;
- Article 4.2 of the Agriculture Agreement insofar as the measures at issue cover agricultural products also covered by the Agreement on Agriculture, because, by imposing the measures at issue Egypt has resorted to and maintained measures which have been required to be converted into ordinary customs duties;
- Article 1.2 of the Import Licensing Agreement, because, by imposing the measures at issue Egypt has failed to ensure that the administrative procedures used to implement the measures at issue are in conformity with the relevant provisions of GATT 1994 including its annexes and protocols;
- Article 1.5 of the Import Licensing Agreement, because, by imposing the measures at issue Egypt has failed to ensure that only such documents and information considered strictly necessary for the proper functioning of the measures at issue may be required on application;
- Article 3.3 of the Import Licensing Agreement, because, by imposing the measures at issue Egypt has failed to publish sufficient information for other Members and traders to know the basis for approving registration applications;
- Article 3.5(e) of the Import Licensing Agreement, because, by imposing the measures at issue Egypt has failed to provide, on request by the applicant, reasons for rejecting

registration applications and failed to ensure a right of appeal or review in accordance with the domestic legislation or procedures of the importing Member;

- Article 3.5(f) of the Import Licensing Agreement, because, by imposing the measures at issue Egypt has failed to ensure that the period for processing applications is not longer than 30 days if applications are considered as and when received, i.e. on a first-come first-served basis, and not longer than 60 days if all applications are considered simultaneously.

The measures at issue appear to adversely affect exports to Egypt of the products at issue from the European Union and also appear to nullify or impair the benefits accruing to the European Union directly or indirectly under the covered agreements.

The European Union reserves the right to address additional measures and claims, including under other provisions of the covered agreements, regarding the above matters during the course of the consultations.

The European Union looks forward to receiving Egypt's reply to this request and expresses its readiness to consider a mutually convenient date and place for the consultations.
