

Ministry of Finance
Decree No. 409 for the year 2022
Determining the terms and the conditions of application of some of the provisions of the
decree of the President of the Republic No.218 for the year 2022 issuing the Customs
Tariff

Minister of Finance

Following the perusal of Customs Law issued by law No.207 for the year 2020 and its Executive Regulations;

The General Authority for Industrial Development Law promulgated by the Law No.95 for the year 2018;

The Decree of the President of the Republic No.218 for the year 2022 promulgating the Customs Tariff;

The Decree of the Minister of Finance No.34 for the year 2019 determining the terms and the conditions of application of some of the provisions of the decree of the President of the Republic No.419 for the year 2018 issuing the Customs Tariff;

Decided:
(Article One)

In order to apply the stipulated Customs tax category on cargoes that is issued temporarily for the purpose of repair or completion of its manufacture upon its re-exportation stated in Article three of the mentioned Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- The importer shall acknowledge on the issued customs declaration that the cargoes are imported abroad on a temporary basis for repairs or completion of manufacturing and return.
- 2- The Customs of import shall take the necessary procedures that enables checking of the imported cargo through sampling upon re-exportation. For cargo that is hard to check after completion of its manufacturing through sampling, it shall be submitted before the competent authority at the Ministry of Trade and Industry upon import and re-exportation to check that the cargoes re-imported is resulting from cargoes that have been re-exported.

- 3- The re-exportation shall be carried out within six months of the date of export. The Director General of the Customs Authority, the head of the sector or the competent Head of the Central Administration at the Authority may extend this period for another similar period or more based upon the justifying reasons, with a maximum of two years. In cases of emergencies or for justified reasons, the extension may be granted for more than two years by virtue of the decree of the Minister of Finance based upon the recommendation of the Director-General of the Customs Authority.

(Article Two)

In order to apply the stipulated Customs tax category of (20%) of the value or the stipulated import tax, whichever is less, on imports by Hotel and Tourist Facilities pursuant to the provision of Article Four of the Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- The import shall be made by these Facilities or for their account.
- 2- The import release shall be made by virtue of a letter from the Governmental Authority supervising the activity, attached thereto the lists or the invoices ratified by the mentioned authority where these lists or invoices shall indicate that the import items are necessary for the purposes of replacement and renewal for the facility.
- 3- Documents indicating the lifting of the Customs ban for the items to be replaced shall be presented.

(Article Three)

In order to apply the Customs tax category of (2%) of the value or the stipulated income tax, whichever is less, on imports by factories authorized to produce the stipulated items in paragraph one in Article Five of the Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- The materials and the supplies shall be imported in the name of the Factory authorized to produce the items specified in paragraph one in Article Five of the mentioned Decree of the President of the Republic.
- 2- The importer shall present a permit issued by the competent authority at the Ministry of Health clarifying therein the type and the quantity of the materials and the supplies of production for manufacturing within the productivity capacity limits of the factory.

- 3- The Manager in charge of the Factory shall present an undertaking to be attached to the customs declaration stating that the materials and the supplies of production imported shall only be used for the purpose imported for.

In order to apply the Customs tax category pursuant to paragraph two in Article Five of the mentioned Decree of the President of the Republic No.218 for the year 2022 on the imports of the Arab Petroleum Pipelines Company (SUMED) of the items stated in the same paragraph, the following shall be required:

- 1- These items shall be imported in the name of the company.
- 2- The Manager in charge of the company shall submit a statement that these items are necessary for the execution and operation of the company's projects and undertake that their use is exclusive for that purpose only.

(Article Four)

In order to apply the Customs tax category of (5%) of the value or the stipulated income tax, whichever is less, in paragraph three in Article Five of the Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- The supplies, the components and the spare parts shall be imported in the name of one of the companies affiliated to the Arab Organization for Industrialization undertaking the overhaul of the turbine engines of the railway locomotives where the invoices of the aforementioned shall refer to the drawn contract in that regard and a ratified copy thereof shall be annexed to the invoice.
- 2- The invoices stated in item (1) of this article shall be ratified by the Industrial Development Authority indicating that the supplies, the components and the spare parts imported are necessary to carry out the overhaul of the turbine engines of the railway locomotives in terms of quantity and type.
- 3- The Manager in charge shall present to the import company a declaration to be annexed to the Customs Declaration stating that the supplies, the components and the spare parts imported shall only be used for the purpose imported for and no disposal or use for other purposes shall be made without referring matter to the Customs Authority.

In order to apply the Customs tax category of (2%) of the value or the stipulated income tax, whichever is less, in paragraph four in Article Five of the Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- The items shall be imported in the name of the party undertaking the activity or for its account.
- 2- A letter by the Governmental Authority supervising the activity shall submit a letter, annexed thereto the lists or the ratified invoices clarifying that the imported items are necessary for the purposes indicated in paragraph four in Article Five of the Decree of the President of the Republic No.218 for the year 2022.

(Article Five)

In order to apply the Customs tax category of (2%) of the value or the stipulated income tax, whichever is less, on the imports of factories stated in paragraph five in Article Five of the Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- The items stated in paragraph five in Article Five of the Decree of the President of the Republic shall be imported in the name of the factory licensed to produce electrical buses.
- 2- The importing factory shall present a permit from the competent authority at the Ministry of Trade and Industry indicating the type and the quantity of the materials and the supplies of production for manufacturing within the production capacity limits of the factory.
- 4- The manager in charge of the factory shall present an undertaking to be attached to the customs declaration stating that the production materials the supplies imported shall only be used for the purpose imported for.

In application of the provision of the last paragraph of Article Five of the mentioned Decree of the President of the Republic No.218 for the year 2022, the cars operating on natural gas are the cars that has the standard and the technical specifications and designed by the production company that these cars operate on natural gas only and not the modified or the configured cars after their production to operate on natural gas.

(Article Six)

In order to make use of the reduced Customs tax category pursuant to Article Six of the Decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- To make use of the provision of item (a) of Article Six of the mentioned Decree of the President of the Republic:

The importer shall apply before the competent Central Administration with the preliminary detailed invoice as ratified by the General Authority for Industrial Development considering that the imported commodity is of the assembly industries and that it is already disassembled completely according to the decision of the authority indicating therein the number of units of the final product attached thereto a declaration by the importer and from the factory undertaking the assembly stating that these items shall not be used for purposes other than that released for.

The competent Customs Administration shall carry out the release procedures and determine the customs transaction based upon the submitted documents. The Customs Administration shall further provide the competent administrations of the Customs Authority with the documents once released to carry out the required document and field review according to the procedures issued by the Director-General of the Authority or his authorized delegate.

- 2- To make use of the provision of item (b) of Article Six of the mentioned Decree of the President of the Republic:

The importer shall apply before the competent administrations at the Customs Authority with a letter from the General Authority for Industrial Development specifying therein the percentage of the local ingredient and the percentage of the foreign ingredient in comparison to the total complete parts making up the final product and the number of units of the final product attached thereto a list of the local parts used in the assembly industry and a list of the imported parts ratified by the authority.

The importer and the manufacturer undertaking the assembly shall acknowledge not to use these parts for purposes other than that released for.

The competent administrations at the Customs Authority shall undertake the issuance of the necessary decree determining the reduced Customs tax category following review of the submitted documents and based upon ratified percentage by the General Authority for Industrial Development and following ensuring that the use of the imported parts is only for the purposes released for.

3- To make use of the provision of item (c) of Article Six of the mentioned Decree of the President of the Republic:

The company shall submit a recommendation letter issued by the Minister of Trade and Industry that the industry is intricate provided that the recommendation shall include a proposal of the required reduction that shall not exceed (40%).

The Customs Authority, together with the General Authority for Industrial Development, shall submit an annual report to the Minister of Finance which shall include a follow-up on the execution of the company of its obligations to reach the local manufacturing percentage during the set period pursuant to the granted permit by the authority.

The provision of the last paragraph of Article six of the mentioned Decree of the President of the Republic No. 218 for the year 2022, in case the company fails to meet the set percentage at the end of each year, shall apply.

The reduction percentage on the stipulated import customs shall be specified on the final product by virtue of the decree of the Minister of Finance based upon the request of the Minister of Trade and Industry within the stipulated limits in item (c) of the first paragraph of Article six of the mentioned decree of the President of the Republic according to the following terms and conditions:

1- The General Authority for Industrial Development shall determine the different phases of assembly and manufacturing for each factory according to a time schedule to be ratified by the Director General of the Authority.

2- The factories subject to the assembly system shall commit to give access to the officials in charge at the Customs Authority to peruse all documents and records sufficient for checking that the imported parts are used for the stipulated purpose and in the ratified percentage.

The Customs Authority with the participation of the General Authority for Industrial Development may inspect the assembly of the final product on the production line.

The factories and the companies may, before the commencement of the manufacturing process, amend the percentage of the local ingredient after obtaining the approval of the General Authority for Industrial Development provided that the Customs Authority shall undertake the necessary procedures in that regard.

The factories and the companies may, after obtaining the approval of the Customs Authority, dispose of some of the imported ingredients for justified reasons and pay previously exempted taxes and fees in addition to the highest interest rate declared by the Central Bank at the time of disposal after fulfillment of the import regulations.

The Director General of the Customs Authority shall issue a decree determining the competent administrations and the necessary executive procedures in that regard.

(Article Seven)

In order to apply the Customs tax category of (300%) or the categorized item class, whichever is less, on the import of the tourism sector stipulated in the provisions of the appendix of the chapters (21), (22) and (23) of the coordinated Customs Tariff issued by the mentioned decree of the President of the Republic No.218 for the year 2022, the following shall be required:

- 1- Import shall be made through the designated authority by the Ministry of Tourism.
- 2- The application of this class shall be exclusive to the items necessary for the needs of the touristic facility or hotel and within the limit of the quantity, the type and the value that the license of the General Administration of needs at the Ministry of Tourism is issued in.

(Article Eight)

The beneficiary authorities of the reduced tax categories or the mentioned appendices in the mentioned Decree of the President of the Republic No.218 for the year 2022 shall retain independent and regular records and books to be ratified by the Tax Authority and the Governmental Authorities supervising the activity to evidence the types that enjoy the reduced tax categories or the mentioned appendices and use same for their determined purposes. The aforementioned shall be subject to the control of the Customs Authority.

(Article Nine)

The provisions of the Customs Law promulgated by Law No.207 for the year 2020, its executive regulation and the Ministerial Decrees issued in execution to the mentioned law shall prevail in case of a conflict between them and the provisions of the current decree and within the limits of the conflict.

(Article Ten)

The aforementioned decree of the Minister of Finance No.34 for the year 2019 shall be cancelled in addition to the cancellation of everything in violation of the provisions of this decree.

(Article Eleven)

This decree shall be published in the Egyptian Gazette. It shall come into force as of the next day of its publication.

Issued on 3/9/2022

Minister of Finance,

Dr. Mohamed Maait