

Customs and Global Trade Advisory Services in Egypt

September 2023



Overview

With recent developments in the Egyptian regulatory requirements, including the new Customs law decree number (207) for 2020, the Advance Cargo Information (ACI) decree number (38) for 2021, and the new Customs regulations decree number (430) for 2021, foreign investors are in need of support with Customs regulations and international trade rules.

Deloitte has an effective approach to meeting business needs in Customs and global trade. Our team of experts in Egypt has a deep understanding of the Customs and trade landscape in the Egypt. Our extensive expertise and broad outreach in Egypt enable us to provide comprehensive support to businesses.

How can we help businesses achieve their trade goals in Egypt?

We provide integrated services to support local and multinationals companies comply with the latest Egyptian regulations and requirements in the following areas:

Providing companies with the full list of documents required for registration of imported products subject to the decree of the Minister of Trade and Industry number (43) of the year 2016.

Reviewing company documents required for the registration process in accordance with the General Organization for Export and Import Control (GOEIC) rules.

Preparing the complete file required for the GOEIC registration.

Following up with the GOEIC regarding the issuance of the company's ministerial decree.

Factory registration

Reviewing the documents related to the imported goods to confirm compliance with the issued ministerial decree.

Preparing an assessment memo that includes our recommendations regarding the correct Harmonized System (HS) code to be used in the clearance phase.

Delivering the registration request and receiving the submission notification from the GOEIC.

Export subsidy fund:

- ❖ Reviewing existing business set-up to identify the best approach to unlock savings potential.
- ❖ Providing companies with a list of the required documents for the archiving file that will be presented to the Export Subsidy Fund on a yearly basis.
- ❖ Preparing the archiving file and following up on its submission to the Export Subsidy Fund on a yearly basis.
- ❖ Reviewing the required documents (including industrial registrations, invoices, Customs form no.13, etc.).
- ❖ Assisting in all communications with the Export Subsidy Fund (i.e., meetings, negotiations, calls, etc.).
- ❖ Finalizing the required steps in order to receive the prescribed subsidy amount from the Export Subsidy Fund.

Industrial control letter:

- ❖ Preparing formal request letters to be submitted in order to obtain the industrial control letters from the Industrial Control Authority (ICA).
- ❖ Arranging visits and meetings with ICA.
- ❖ Arranging ICA field visits to the company's premises to determine the depreciation percentage needed to finalize the required study allowing the company to start the application for the VAT refund.
- ❖ Following up with ICA until the issuance of the requested letter required for the VAT refund purpose.
- ❖ Dealing with the concerned governmental bodies to overcome any challenges.



Advisory:

- ❖ Providing comments on the Customs duty implications and business' Customs duty liability in relation to their business in Egypt.
- ❖ Validating the Customs duty rates (HS codes) applicable to imported goods.
- ❖ Providing comments on the available alternatives (if any) to reduce the Customs duty exposure upon delivering relevant documents, e.g., exemptions, reliefs, refunds, etc.
- ❖ Advising on any special national schemes or laws that allow for the elimination or the reduction of Customs duty for the business.
- ❖ Advising on the eligibility to enjoy the preferential tariff treatment applicable in Egypt, for goods that will be imported from Free Trade Agreement (FTA) partners.
- ❖ Assisting in tariff classification of the goods subject to import or/and export based on HS.
- ❖ Assisting in the valuation of the imported goods in accordance with the valuation methods prescribed in the Customs law.
- ❖ Providing comments and advising on the Customs law / Trade Agreements / Free Zone/ Special Economic Zone / Qualified Industrial Zone related matters as and when requested .
- ❖ Suggesting or reviewing clauses in the agreement with business partners from Customs rules and regulations as well as a global trade standpoint .
- ❖ Providing advisory services in relation to the day-to-day Customs transaction inclusive (incl.) issues with respect to the clearance of goods and related issues.
- ❖ Providing handholding support from the Customs perspective to enable the team to proceed with the implementation of advice/opinions.
- ❖ Providing regular updates or/and amendments on Customs law / Trade Agreements / Free Zone / Special Economic Zone, etc.

Customs post clearance audit:

- ❖ Reviewing documents related to imported goods.
- ❖ Assisting in the preparation of data/analysis in accordance with the requirements of the Customs post-clearance audit department.
- ❖ Reviewing and analyzing the Customs elements in financial statements impacting the Customs position.
- ❖ Preparing the required Customs technical analysis for post-clearance Customs audit inspection.
- ❖ Responding to the Customs auditors' inquiries throughout the post-clearance audit process.
- ❖ Handling discussions and meetings to clarify and prove the company's position in front of the Customs post-audit committee.
- ❖ Assisting in reviewing Customs claims and audit results to identify issues.
- ❖ Continuing to provide technical assistance in the appeal stage to minimize the company's exposure when audit results are not in the company's favor.
- ❖ Reviewing the supporting documents relating to company objections in order to finalize the appeal stage.

Drawback refund:

Assisting in all communications with the drawback refund department (i.e., meetings, negotiations, calls, etc.).

Arranging meetings with the drawback department to review the documents before presenting them to the Customs department.



Arranging and facilitating communications between concerned departments (especially account management) at the Customs authority to follow up on the submission of documents and collections.

Following up with the Customs authority in order to facilitate the process and address any issues.

Finalizing required steps until the refund amount is collected.



Import and export cards:

Providing the list of required documents to issue the import and export cards.

Reviewing the required documents and preparing an integrated file needed for each card.

Ensuring compliance with the submission of prepared files to GOEIC.

Following up with concerned departments at the GOIEC to facilitate the process of the card's issuance.

Handling all communications with GOIEC in order to receive the import and export cards.

Inbound and outbound shipping cycle enhancement:

- ❖ Setting a clear set-up for the shipping and Customs cycle.
- ❖ Creating a shipping matrix.
- ❖ Setting a clear process for the shipping and clearance cycle through identifying the roles and responsibilities of each function in the entire cycle.
- ❖ Creating Service Level Agreements (SLAs) between the concerned departments.
- ❖ Setting defined KPIs to measure the overall logistics activities.

Documentation of health check and review:

- ❖ Conducting discussions to understand the entire import and export process followed - with respect to (w.r.t.) - sample consignments (for each of the products involved, in case there is a different process followed for different products).
- ❖ Reviewing sample commercial documents before starting the movement of goods.
- ❖ Reviewing the sample import procurements to analyze the classification, valuation, appropriateness of duty paid, availability of exemptions, and reliefs, along with restrictions, and prohibitions - if any - on such goods imported into Egypt.
- ❖ Reviewing documents required in the clearance phase (COO, FTA forms, and ILAC certificates) before the arrival of the goods to avoid delays in the clearance phase.
- ❖ Analyzing the 'as-is-status' of the various export-related benefits availed along with the computations thereof and providing advisory comments upon the appropriateness thereof.
- ❖ Providing gaps, as the client identifies any untapped export-related benefits for the period of the client consideration.
- ❖ Reviewing Customs declarations (inbound and outbound) before finalizing the clearance process to avoid any future claims from Customs.
- ❖ Reviewing clearance documents to ensure that all Customs requirements are met in case a Customs post-clearance audit is required.

Demurrage and storage fees optimization:

Setting the required KPIs for third-party service providers (freight agencies and brokers) regarding the freight and clearance lead time to ensure the release of the goods in the free times period without paying fees.

Interacting with the concerned ports to discuss a long-term agreement regarding the storage and detention free time.



Reducing the clearance documents lead time to ensure the release of the goods once it arrives at the port of destination.

Checking with the different shipping lines alternative shipping routes to enhance the free time scale.

Supporting the company in establishing an adequate system and process to manage and reduce (where possible) the storage and demurrages charges and fees.

Customs outsourcing

Supporting on-site experts that manage the Customs function.

Providing Customs compliance and administration services such as issuing the certificate of origin, bank documents endorsement, receiving the bill of lading, etc.

Obtaining the different approvals required for clearances (such as GOEIC, NTRA, pharma, etc.).

Preferential tariff and origin management:

- ❖ Examining current practice or/and procedures for ensuring the qualification of origin claims and providing comments on the appropriateness of the same. Identifying gaps - if any - and recommending remedial measures and ways forward.
- ❖ Determining eligibility of a product concerned under a particular Trade Agreement (TA), on high-level examination of its classification.
- ❖ Suggesting changes in contracts with overseas suppliers to safeguard the interest with respect to wrongful origin claims by exporter.
- ❖ Reviewing documents available for a claim of concessional rate incl. declarations made in Bills of Entry (BOE) and Certificate of Origin (COO).
- ❖ Providing comments upon eligibility of preferential duty benefit as per TA and Rules of Origin (ROO).
- ❖ Drafting reports with comments on the result of the verification, associated risk identified (if any), mitigation plan, and process improvement to comply with the requirements.

Authorized Economic Operator (AEO) readiness and application:

- ❖ Assisting in high-level AEO readiness assessment involving review of the existing processes, controls, and documentation .
- ❖ Adding the basis outcome of the assessment, suggesting the area/s of improvement to regularize the gaps and progress towards the AEO readiness.
- ❖ Discussing with the management and sharing the recovery plan to advise on the Customs compliances, operational and business processes, and documentation.
- ❖ Assisting in preparing the application for AEO authorization along with additional information and supporting documents to be submitted to authority.
- ❖ Following up on the status of the application with the Customs authority and assisting in addressing any further queries.
- ❖ Engaging in all the correspondences with the Customs authorities until the AEO certificate is granted.

Export controls and sanctions:

- ❖ Analyzing the product for industry specifics and assessing the impact of trade and financial sanctions (ex. sanctions screening) according to the client's business.
- ❖ Ensuring compliance with the export controls and sanctions compliance policy and related procedures with the support of the working guidelines and tools.
- ❖ Assisting in the implementation of IT tools including trade compliance management solutions (e.g., SAP GTS), and product classification tools (AI and cloud solutions).
- ❖ Assessing the potential export controls violations and providing suggestions for remedial actions.
- ❖ Representing the client side and engaging in discussions and meetings with the Customs or/and other relevant authorities.
- ❖ Providing regular updates or/and amendments with the client to ensure complying with the export controls and sanctions policies.

Global trade and Customs obligations:

- ❖ Assisting companies based in Egypt in relation to the global trade and Customs obligations in other jurisdictions through our global network of Customs and trade advisory.
- ❖ Supporting the companies in assessing obligations, manner of compliance, consequences, and risks of non-compliance, if any.
- ❖ Suggesting the correct approach for ensuring compliance with the Customs and global trade obligations in other jurisdictions around the globe such as obligations towards Carbon Boarder Adjustment Mechanism (CBAM), Reach etc.

Our Customs and GTA team

We are a global network of member firms with more than 500 GTA specialists in over 100 countries. These professionals include lawyers, accountants, Customs brokers, economists, certified export specialists, auditors, former government employees, and industry specialists. With our diverse private and public sector backgrounds

Deloitte's Customs and global trade specialists in the Middle East help businesses establish an international and local business strategy designed to manage costs and global trade regulatory requirements while leveraging innovative technology solutions. Our on-ground team in Egypt takes a practical and efficient approach to trade compliance, supporting businesses to develop programs that drive efficiency, cost reduction and improved risk management.

Our GCC-wide team also provides coverage for Levantine and North African in addition to wider Africa markets, leveraging Deloitte's local footprint in these markets while integrating Deloitte Middle East Customs risk oversight.

Contacts

For further information about Deloitte's ME Customs and GTA services, please contact a member of our team.



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