NOTIFICATION UNDER ARTICLE 10.6.2 OF THE AGREEMENT ON TRADE FACILITATION

COMMUNICATION FROM EGYPT

The following communication dated 10 October 2019, is being circulated at the request of the delegation of Egypt for Members' information.

The Arab Republic of Egypt hereby makes the following notification based on Article 10.6.2 of the Agreement on Trade Facilitation.

Article 10, paragraph 6.2

The Egyptian Customs Law No. 66/1963 and its executive regulation No. 10/2006 allow the stakeholder or his agent to deal with customs in finalizing the customs procedures without introducing the mandatory use of customs brokers.

Article 49 of Customs Law defines the custom broker as a natural or judicial person who prepares, signs and presents the customs declaration to the Customs Authority and finalizes the procedures in respect of the goods for others. The article adds that Custom Broker is not authorized to practice its clearance job unless he obtains a license from the Customs Authority as clarified in the executive regulation.

The Executive Regulation devoted chapter three of it entitled "Customs Clearance and customs Brokers" to clarify the system of customs brokers and the conditions for obtaining a license, as follows:

Article 70

The profession of clearance of goods belonging to others shall not be practiced except after obtaining a license from the Customs Authority. The license is issued for a period of three years and is renewable as stipulated in these regulations.

The license shall be terminated if it is not renewed before the end of its validity period. The license may be renewed at the request of the Broker provided that the license conditions for practicing the profession stipulated in these regulations are met.

Article 71

Without prejudice to the legal status of Customs brokers who have been licensed to practice the profession prior to the entry into force of these regulations, persons practicing the profession of clearance of goods, in accordance with the provisions of the preceding article, shall meet the following requirements:

a) Has A.R.E nationality.
b) Has their own office.
c) Has a high qualification (University degree).
d) Is at least 21 years old.
e) Must not have been convicted of a felony or misdemeanor prejudicial to honour or any of the crimes of customs smuggling unless he has been rehabilitated, and this shall be proved by submitting the criminal status sheet.

f) Must not have been dismissed from the government or public authorities or his name has been had struck off the Customs brokers’ schedule for reasons relate to breaches the honour or honesty unless five years have elapsed.

g) Has performed military service or has been exempted from it.

h) Has attended training courses held by the Customs Authority and passed the exam qualifying for the profession at the end of the courses. Highly qualified ex-Customs employees shall be exempted from attending the training courses, provided that they pass the aforementioned exam.

i) Submits a tax card.

**Article 72**

A request for obtaining a license for practicing the profession of Customs broker shall be submitted, on the form prepared for that purpose, with supporting certificates and documents attached as proof that the provisions stipulated in the previous article have been met. Licenses may be issued for judicial persons, provided that they meet the following requirements:

a) Submit a commercial register.

b) The company has independent premises.

c) Clearing operations are to be practiced only by brokers meeting the aforementioned provisions.

**Article 73**

Each Customs Clearance Office shall deposit a cash insurance of five thousand pounds at the Customs Authority. The Customs Authority may deduct from this deposit the amount of fines and compensations due to violations committed by the office or its brokers employed by him. The amount shall be replenished to substitute, the fines or compensations deducted.

**Article 74**

A Customs broker shall:

a) Keep a special register, serial stamped with the customs authority's seal, to register serially the shipments cleared, together with the Customs declaration number and the Customs receipt number and the date. It is obliged to submit it to customs authority when requesting its review.

b) Deliver a detailed statement to the client, signed and stamped with the office stamp, stating expenses, clearance fees, and taxes and duties paid.

c) Maintain this register and documents for 5 years.

**Article 75**

Ministries, government Authorities, public organizations and their economic units, public enterprise sector companies and their equivalents, embassies, and commercial and production companies may conduct Customs clearance of their own shipments through their personnel, provided that they have passed Customs Clearance Training Course, and based on a written authorization from these entities. The Customs Administration is entitled to reject any of them and notify the competent entity of the reasons of the rejection.

**Article 76**

A disciplinary body shall be established in each Central administration, to be responsible for accountability of the brokers for the violations that committed by them that are referred to the disciplinary body, headed by a General Manager, selected by the competent head of the Central Administration with the membership of:

a) Legal Affairs Manager.

b) Customs Brokers Representative, selected by the Head of the competent Central Administration. The decisions shall be issued by the majority of votes with justification.
Article 77

The disciplinary body may impose any of the following penalties:

a) Warning.
b) Suspension for a period not exceeding six months for the first violation, the penalty shall be doubled if the violation is repeated within three years.
c) License Termination

The recommendation made by the disciplinary body shall be effective only after ratification by the Head of Customs Authority, and he may reduce the penalty and his decisions shall be enforceable and final.

Article 78

None of the penalties stipulated in the preceding Article shall be imposed, unless the broker is investigated, and his defence is heard by the Customs Authority.

In case of serious violation, the Minister of Finance has the right to suspend the broker's license until the recommendations of the disciplinary body issued and ratified.

Article 79

The relevant Customs Manager, in whose jurisdiction the violation is committed, shall communicate the penalties imposed on the brokers to the Central Directorate for Economic Research and Tariffs, in order to have them recorded in registers and notify all Customs Sectors of them.

Article 80

The license granted to a broker shall be revoked in case a final court judgement is passed against him in a felony or misdemeanor that violates honor or honesty or if he misses one of the conditions of the licence required to practice the profession.

Article 81

Licenses may be issued for the following categories in accordance with the provisions set forth below:

a) Assistant Broker:

The license shall be issued to the public clearance offices in numbers adequate with their work load, without adherence to the conditions prescribed, the work of assistants is limited to the auxiliary work of the Office, and they are not entitled to be presented during the stages of disclosure and valuation.

b) Broker who is affiliated to an office:

The aforementioned provisions for issuing a license for a public broker apply here as well, except for the provision of establishing an office and that of payment of the insurance. His work is restricted to his office's clients.

c) Representative:

Applications for the issuance of representatives' cards shall be submitted to the Departments Brokers Affairs, along with the academic qualification and an authorization from the entity or its affiliate to approve the issuance of the card.