

## **Customs Law**

**No. 66 of the Year 1963 As amended by  
law no. 95/2005**

## **Preface**

It is no fact for the keen objective observer that Egypt currently witnesses a great transitional period as well as a serious approach towards development and modernization in order to catch up with the modern societies and progress. This stage requires intensifying the efforts to provide the necessary investments to make this development happen. It is clear to all how keen the GoE is to provide an atmosphere for investment that is characterized by its support to the development process in addition to the GoE giving the private sector the priority and the real chance to invest in the various fields in order to participate in this development by increasing the investments in the various projects.

That is the reason why the GoE with all its different departments and authorities in the Egyptian government is working on developing the policies and procedures providing services to the investors in general and the exporters in particular in addition to developing the proper policies that would help increase the volume of Egyptian exports through upgrading its efficiency as well as the capacities of the exporting projects specially the micro projects, small projects and medium-sized project that constitute the greater portion of the productive units in the Egyptian economy in the present period.

There is no doubt that these matters won't be applicable unless the legislative policies are developed which would lead to the desired outputs. Hence, during the first year for the government in office the Ministry of Finance managed to achieve what may be described as a revolution in the field of financial legislations by submitting a number of important laws to the parliament which approved the amendment of the Customs Law No. 66 for the year 1963 with the Customs Law No. 95 for the year 2005. The objective of doing so is to provide an effective infrastructure that provides services to the investment requirements which was working in light of the economic, social and political circumstances which have all changed as a result of the opening up to the world, globalization, and international merging powers. This made the political leadership call for pursuing that change and put our dear country properly on the world map so that the national economy would cope with the development in world economy.

As a means of support to the principle of transparency which has become one of the main fundamentals for world trade system, it was necessary to adopt the principle of transparency both at the local and the international levels. So, after developing a perspective of the customs law amendment project, it was submitted to the concerned

authorities, i.e. commodities councils, chambers of commerce, industrial unions, and some of the public and private production units in order to coordinate the different points of views which are considered a natural result for the economic development movement that the State is going through so that they would be decision making partners. Consequently, this would achieve the necessary balance for the different aspects of promoting the production and trade process.

In order to achieve such transparency, the customs tariff was printed both in Arabic and English as well as the customs tariff explanations according to the harmonized system for the year 2002; in addition to the executive bill for the exemptions law.

Following the same track, we would like to present the customs law with its latest amendments as in the Customs Law No. 95 for the year 2005 both in Arabic and English. It is a non-negotiable fact that the interest to attract investments, setting up large-scale projects, providing the basic services, and giving the private sector the chance to participate and contribute to the development efforts; are all important steps that push the Egyptian economic efforts and approaches forward towards a better tomorrow in confident and steady steps.

In conclusion, I hope that these policies will achieve its prospected objectives, which would be greatly beneficial to Egypt so that we can make the aspired hopes materialize.

May God Grant Us Success,  
Cairo /9/2005

**Decree of the President of The United Arab Republic**

**As Per Law No. 66 of the Year 1963**

**Promulgating**

**Customs Law**

**As amended by laws nos. 88/76,75/1980,158/1997,175/1998,  
160/2000,13/2001,157/2002,14/2004 and 95/2005**

In The Name of the Nation;  
The President of the Republic;  
After perusal of the temporary constitution;  
The constitutional declaration issued on 27<sup>th</sup> September, 1962, in connection with the  
political organization of the supreme powers of the State;  
The opinion of the State Council;  
And the approval of the Council of Presidency;

The following law has been promulgated:

**Article 1**

The provisions of customs law attached shall enter into effect.

**Article 2**

Shall be cancelled the provisions of the customs regulations issued on 2nd April, 1884, as amended, decree as per law No. 324 of 1952 concerning the temporary release scheme, as amended, decree as per law No. 325 of 1952 regulating the refund of customs duties, excise or consumption duties and additional dues on foreign materials employed in local industries which are exported abroad, as amended, decree as per law No. 306 of 1952 concerning the scheme of free zones, as amended, law No. 623 of 1955. concerning the provisions of customs smuggling, law No. 55 of 1961 in connection with customs exemptions concerning the members of foreign diplomatic and consular corps

working in the United Arab Republic, and law No. 65 of 1961 in connection with exempting the representative missions of the United Arab Republic abroad and their employees as well as the employees on secondment at the United Nations Organizations and specialized agencies from the customs duties and dues, municipal and other local dues. Shall also be cancelled every other provision in conflict with the stipulations of the law.

### **Article 3**

This law shall be published in the Official Journal and shall enter into effect as from the date of its publication, and the Minister of Treasury shall have the right to issue the necessary regulations and decrees for its execution. The executive regulations of the present law shall be issued by virtue of a decree of the Minister of Finance within three months with effect from the date on which the present law comes into force.

### **Article 4**

The executive regulations shall define the rates, goods, rules, conditions, guarantees and the procedures the determination or issue of which shall be entrusted to the Minister of Finance, Head of the Customs Administration, or the Director-General of Customs.

## **SECTION (1)**

### **GENERAL PROVISIONS**

#### **Chapter (1)**

#### **Introductory Provisions**

### **Article 1**

The customs region shall be taken to mean the territories and the territorial water subject to the sovereignty of the State. Free Zones not subject to the customs provisions may be established in this region.

## **Article 2**

The customs line shall be the political boundaries dividing between the United Arab Republic and the adjacent countries and sea shores surrounding the Republic. Nevertheless, shall be regarded as being a customs line the two banks of the Suez Canal and the shores of the lakes in which this canal passes.

## **Article 3**

The marine scope of customs control shall extend from the customs line to a distance of 18 nautical miles in the seas surrounding the line. But the land scope shall be determined as per a decree to be issued by the Minister of Treasury according to the exigencies of control. Special measures may be adopted within the scope for controlling some goods which shall be determined as per a decree to be issued by the Treasury Minister.

## **Article 4**

The customs area shall be the scope which shall be determined by the Minister of Treasury at every seaport or airport where there is available customs office in which authority is given for completing all or part of the customs.

### **Chapter (2)**

#### **Customs Duties**

## **Article 5**

The goods which enter the territories of the Republic shall be subject to the duties on imports prescribed in the customs tariff, in addition to the other prescribed duties save the goods which are excepted under a special provision.

Goods going out of the territories of the Republic shall not, however, be subject to customs duties except those for which a special provision is herein contained.

The customs duties and other dues and levies which fall due on the occasion of the arrival of the goods or the export thereof shall be collected in conformity with the regulatory laws and decrees, and no goods may be released before completion of the

relative customs formalities and payment of the duties and levies due unless otherwise is provided for in this law. The amounts of the aforementioned taxes and dues and other amounts payable to the Public Treasury according to the provisions of the present law shall have prior lien on all property of the debtors thereof or the property of those bound to pay such debts. These amounts shall be collected out of the price of property encumbered with that lien whichever the hand it is held in, before any other claim thereon even if it is a privileged right or guaranteed by a collateral real right, with the exception of legal expenses.

#### **Article 6**

The customs tariff shall be determined and amended as per a decree to be issued by the President of the Republic.

#### **Article 7**

As per a decree to be issued by the President of the Republic, the goods the origin or source of which are countries which have not concluded trade agreements with the Republic including the most favored nation clause, may be subjected to an additional duty equivalent to the duty prescribed in the schedule of customs tariff, providing this duty does not fall below 25% of the value of the goods.

#### **Article 8**

Cancelled As Per Law No. 161/1998

#### **Article 9**

The decrees of the President of the Republic referred to in Articles 6, 7 and 8 hereof shall have the force of the law and shall be brought before the legislative Authority immediately after they take effect at its existing session or at the first session to be held by it, and if these decrees are not approved by this Authority they shall cease to have the force of law and shall continue to be valid in relation to the past period.

#### **Article 10**

The Presidential decrees issued for amending customs tariff shall, starting from the time of their entering into force, apply to the goods for which customs duties have not been paid. As to the goods, which are destined for export and for which amounts have been paid on account of the duty before their entering the customs area in whole, the part thereof which has not entered, shall be subject to the tariff in force at the time of entering, and the goods arriving in the name of ministries, departments, general organizations and public authorities, which shall be determined as per a decree to be issued by the Minister of Treasury, shall be subjected to customs tariff in force at the time of authorizing the release of such goods.

#### **Article 11**

Customs duties shall be paid for the goods subject to an advalorem duty according to their condition at the time of applying customs tariff and according to its schedules.

As to the goods subject to a specific duty, this duty shall be paid thereon in full regardless of the condition of the goods unless it is ascertained by the Customs Authorities that a damage has occurred to the goods as a result of a force majeure, in which case the specific duty may be reduced in proportion to the damage caused to the goods

#### **Article 12**

As per a decree to be issued by the Ministry of Treasury, there shall be determined the rules whereby the calculation of the duty on taxable goods shall be based on the weight and the duty shall be calculated on the packages and containers in which the goods arrive.

"As per a decree to be issued by the President of the Republic, the goods arriving may be subjected to a compensatory duty if an export bounty is directly or indirectly enjoyed by them abroad. Similar measures may also be adopted in the cases in which some countries reduce their prices or use any other means for directly or indirectly depressing the products of the Republic".

### **Chapter (3)**



### **Prohibition and Restriction**

#### **Article 13**

A statement shall be submitted in respect of all goods entering or going out of the Republic and they shall be brought before the Authorities at the nearest customs branch as may be determined by the Customs Administration.

#### **Article 14**

As per a decree to be issued by the Minister of Treasury at the proposal of the Director General of the Customs Administration, the Customs Administration's branches may be established and their functions determined and so also the types of goods in respect of which formalities are permitted to be completed.

The customs guard rooms shall be established and their functions determined as per a decree to be issued by the Director General of the Customs Administration.

#### **Article 15**

Shall be regarded as being prohibited all goods which are not allowed to be imported or exported. If the import or export of goods is subject to restriction by any authority whatsoever, they shall not be allowed to be brought in or sent out unless they are fulfilling the required conditions.

#### **Article 16**

Ships, of which the tonnage falls below 200 marine tons, may not undertake the transport of prohibited goods subject to exorbitant duties to or from the Republic.

The Director General of the Customs Administration shall determine the types of goods which are subject to exorbitant duties.

It shall further be prohibited for the ships, of which the tonnage falls below 200 marine tons, and which are loaded with goods of the types referred to in the preceding Article, to ramble or change their course within the scope of marine control except in the circumstances arising from a force majeure or marine emergencies. Captains of ships should in such circumstances advise the nearest customs office without delay.

#### **Article 17**

Ships of any tonnage whatsoever shall be prohibited to harbour at other than the ports intended for the purpose or in the Suez Canal or its lakes or in the two mouths of the Nile without a prior permission from the Customs except in the circumstances arising from marine emergencies or a force majeure. Captains of ships should in such circumstances advise the nearest customs office.

#### **Article 18**

Aircraft shall be prohibited to cross the frontiers at other than the places determined for the purpose or to take off or to land at other than the airports provided with customs offices except in cases of force majeure. Captains in charge of the aircraft should in such cases submit a report to the customs.

### **Chapter (4)**

#### **Distinctive Features of the Goods**

#### **Article 19**

The origin of the goods shall be the country of their production whether they are agricultural or natural crops or industrial products, and the rules specifying the origin of goods if they are industrialized in other than the first country of production shall be determined as per a decree to be issued by the Minister concerned.

The Minister of Treasury shall determine the cases in which the documents in evidence of the origin of the goods should be submitted.

#### **Article 20**

The origin of the goods shall be the country from which they are directly imported.

#### **Article 21**

The type of goods shall be determined according to their names as indicated in the customs tariff. In the absence of names for the incoming goods, the Minister of Treasury shall issue decrees for such goods to be given treatment akin to that given to the items closely resembling them, decrees which shall be published in the official Gazette.

## **Article 22**

Subject to international agreements that the Arab Republic of Egypt is party to them, the amount as declared for customs purposes where goods are imported shall be the actual value of the goods to which are added all actual costs and expenses paid in connection with the goods until their arrival at the port of destination in ARE territories

If the value is defined in foreign currency, it shall be estimated on the basis of the exchange rate as announced by the Central Bank of Egypt on the date the customs statement is registered, according to the conditions and terms to be determined by the Minister of Finance.

## **Article: 23**

The concerned party shall submit the purchase contracts or original invoices indicating therein the contract terms, as well as the documents connected with the goods, duly approved by an entity specified or accepted by Customs Department. If it transpires to Customs Department that the documents, wholly or partly, or in some of their data, are incomplete or invalid, the department may not reckon with them. The concerned party shall be informed in writing, and upon its request, of the reasons on which the decision of the Department is based.

## **Article 24**

The value, which should be declared relatively to the goods destined for export, shall be equal to the normal export price at the time of registering the customs manifesto presented therefore plus all expenses until the place of export. This value shall not include the export duty, the excise and other duties which are imposed on the goods when exported.

## **SECTION (2)**

### **CUSTOMS OFFICIALS**

Source: <http://www.wipo.int>

#### **Article 25**

Customs officials, whose posts shall be determined as per a decree to be issued by the Minister of Treasury, shall be regarded as being members of the judicial officers within the limits of their functions.

#### **Article 26**

Customs officials shall have the right to search the places, persons, goods and the means of transport within the customs area and at the places and warehouses subject to the supervision of the customs. The Customs shall have to take all such measures as are considered adequate for preventing smuggling within the customs area.

#### **Article 27**

Customs officials shall have the right to board the ships within the scope of customs control for searching them or for claiming the presentation of the manifests or other documents required under the prescribed rules. In this connection, they may enlist the assistance of the officials of other authorities.

In the event of the presentation of documents being refused or in the absence of such documents or on suspicion that smuggled or prohibited goods exist; the necessary measures shall be adopted including the use of power for seizing the goods and escorting the ship to the nearest customs branch when required.

#### **Article 28**

Customs officials shall have the right to seize prohibited or monopolized goods through the Republic as long as their availability is against the prescribed rules. In case where there is a strong suspicion that goods are being smuggled, customs officials shall further have the right to search the places and shops within the scope of control in search of smuggled goods.

#### **Article 29**

Customs officials and whoever assists them from among the personnel of the other authorities shall have the right to chase the smuggled goods and to continue doing this when the goods go out of the scope of customs control. They shall further have the right to inspect and search the caravans passing through the desert on suspicion that they are violating the provisions of the law.

They shall in such circumstances have the right to seize persons, goods and means of transport and escorting them to the nearest customs branch.

### **Article 30**

The shipping and transport establishments, and the natural and juridical persons who have any connection with customs operations, shall maintain and keep all papers, registers, instruments and documents connected with these operations.

Importers of foreign goods and those who purchase directly from them for trading purposes shall maintain and keep the papers and documents establishing the settlement of the tax.

All other holders of foreign goods who keep these goods for trading purposes shall maintain any document indicating the source of these goods. The Minister of Finance shall issue a decree determining the rules, procedures and periods to be observed in maintaining the papers, registers, instruments and documents referred to in the previous clauses.

The concerned customs officials shall have the right to view and have access to any of the papers, registers, documents and instruments stipulated upon in this article, and seize them in case any violation is established in them.

### **Article 30 (Bis)**

Unless the perpetrator is caught in the very act, none of the procedures for investigating it may be adopted with regard to any of the crimes committed by the customs administration's employees who have the capacity of officers of law in the course of carrying out their duties, except after getting a written request to that effect from the Minister of Finance or his delegated deputy. In all cases, the criminal action may not be brought against any of the customs administration's employees except after obtaining such request.

## **SECTION (3)**

### **CUSTOMS FORMALITIES**

Source: <http://www.wipo.int>

## **Chapter (1)**

### **Manifests**

#### **Article 31**

All goods arriving by sea should be registered in the public and only manifest of the ship cargo.

This manifest should be signed by the captain of the ship, and the name and nationality of the ship, types of goods, numbers, signs and marks of their parcels, name of the shipper and consignee, description of the covers and the ports of shipment should be indicated in the manifest.

Should the goods be of the prohibited type, they should be written down in the manifest in their real names.

#### **Article 32**

The captains of ships or their representatives should, within not more than 24 hours from the arrival of the ship, official holidays excluded, submit to the customs office the manifest of the cargo shipped on board to the Republic in accordance with the conditions provided for in the preceding Article.

In all circumstances, the Customs shall have the right to have access to the public manifest and all documents pertaining to shipment.

If the manifest pertains to ships which do not sail on scheduled travels or which do not have shipping agencies in the Republic, or if the ships are sailing boats, the manifest should be endorsed by the Customs authority at the port of shipment.

#### **Article 33**

The captains of ships or their representatives should submit, within the time-limit provided for in the preceding Article, lists giving the names of their passengers and all supplies concerning the ship including the necessary tobacco and alcohols for consumption in the ship as well as the objects which are held by the crew and which are subject to customs duties. They should store the tobacco and alcohols in excess of the requirements of the ship at the time of harbouring in a special depot to be stamped with the stamp of the customs.

#### **Article 34**

Ships may not depart from the ports of the Republic whether loaded or empty except in accordance with a permit from the Customs. For granting this permit, it is a condition to present the manifest or an undertaking from the agent of the maritime company to present the manifest within three days from the departure of the ship.

#### **Article 35**

No mention may be made in the manifest of a number of closed parcels grouped in any manner whatsoever as if they are one parcel.

#### **Article 36**

No goods may be unloaded from the ships or carriers or boats or loaded unto them or transported from one ship to another except in accordance with a permit from the Customs.

#### **Article 37**

Captains of ships, aircraft, and other means of transport, or their representatives shall ascertain that the amount of goods or the number of parcels or their contents are conforming to the list of shipment (manifest) and shall preserve and maintain them until their complete delivery at the Customs Stores, or the warehouses, or to the concerned parties.

A decree of the Head of Customs Department shall determine the percentage of tolerance in bulk goods (more or less) and also the partial shortage in goods resulting from natural factors or weakness in the wrappings and the leakage and outflow of their contents.

#### **Article: 38**

"The responsibility for violating the provisions of article (37) of the present law shall be removed in the following cases:

1. If the missing goods or parcels have not originally been loaded from the shipping port.
2. If they were loaded but have not been unloaded inside the country, or have been unloaded outside it.
3. If the vessels' holds have sound seals, or if the containers have arrived bearing sound seals and numbers in conformity with what is indicated in the bill of lading, or if the parcels have been delivered in an outward sound condition, the case in which the availability of a decrease before loading may be possible.

The reason for the decrease in the cases mentioned in the aforementioned three items shall be in accordance with the rules and conditions set by the executive regulations of this law."

#### **Article 39**

For the goods transported by air, there should be presented manifests signed by the crew in charge of the aircraft on arrival or before departure of the aircraft. The other provisions concerning the goods transported on board of the ships shall apply to these goods.

#### **Article 40**

The provisions of Articles 35 through 38 shall apply to goods arriving by land, and the Director General of the Customs shall determine the direct methods of bringing in and sending out these goods.

The goods arriving overland should be brought before the nearest customs office to the frontiers, and the owners of the goods or those accompanying them to keep to the road or path directly leading to this office.

For these goods there should be presented a special manifest for each of the units of transport in compliance with the stipulations of Article 32 of this law.

Concerning the goods arriving by railways, the manifest should be signed by the railway official concerned at the dispatch station as well as by the railways representative on the



train, and shall be endorsed by the export customs or the first local customs office from where the goods have entered.

#### **Article 41**

Captains of ships or transport organization or their representatives shall have to present to the customs the manifests or their summaries pertaining to the goods which are unloaded at the free zones forthwith the goods are unloaded.

The authority undertaking the management of the free zone shall have to submit to the customs within 36 hours a table for each ship or train or any other means of transport, containing descriptions of the goods unloaded as to the number, type, marks, figures and the source from which they have been shipped

#### **Article 42**

Incoming or outgoing goods through the post shall be accepted in compliance with international postal agreements, and the postal Authority shall have to bring before the customs authorities, within the limits of these agreement, parcels post, packets and wrappings which are subject to customs duties or to special restrictions or formalities.

### **Chapter (2)**

#### **Customs Statements**

#### **Article 43**

A detailed statement (Customs Declaration) shall have to be presented to the customs in respect of any goods before commencing the customs formalities even if such goods are exempted from customs duties.

This statement shall include all information and explanations as well as the elements enabling customs schemes being applied and duties being paid when required.

The form of this statement and the documents to be enclosed shall be determined as per a decree to be issued by the Minister of Treasury.

#### **Article 44**

The statement provided for in the preceding Article shall be submitted by factory owners or their attorneys, who are acceptable to the customs, or by authorized clearing agents, and the signatory of the statement shall be regarded as being responsible for the accuracy of the information contained therein, without prejudice to the responsibility of the owner of the goods.

#### **Article 45**

The customs statement shall be registered with the customs and shall be given a serial number, after ensuring that the provisions of the two preceding Articles have been carried into effect.

#### **Article 46**

The explanations contained in the customs declaration submitted to the customs department may be modified before determining the parcels that are subject to inspection. The material mistakes occurring during any one of the stages of release may be rectified.

#### **Article 47**

The owners of the goods or their representatives may request to have access to their goods, inspect and obtain samples thereof when required under the supervision of the customs officials.

#### **Article 48**

The Holder of the delivery order of the goods shall be regarded as being the deputy of the owner in taking delivery thereof and the customs shall not be held responsible for delivering the goods to him.

#### **Article 49**

Shall be regarded as a clearing agent every natural or Judicial person who undertakes to prepare, sign and present the customs statement to the customs and complete the procedures in respect of the goods for the account of third parties.

He may not undertake his work as a clearing agent until after obtaining a permit from the Customs Administration.

The Minister of Treasury shall determine the conditions of granting the permit, the regime concerning clearing agents and the competent disciplinary authority to deal with contraventions committed by them and the penalties to be imposed on them.

### **Chapter (3)**

#### **Inspection and Withdrawal of the Goods**

##### **Article 50**

After registration of the statement, the customs shall undertake to inspect the goods and ascertain their type, value; origin and that they comply with the certificate and the relative documents.

Customs may or may not inspect all or part of the goods according to the rules to be issued by the Director General of the customs.

##### **Article 51**

The parcels may not be opened for inspection except in the presence of the interest parties. Notwithstanding the foregoing, customs may, subject to a written permission from the local chief, open the parcels on suspicion that they contain prohibited materials without the interested parties being present after the expiry of one week from advising them thereof. A report to this effect shall be drawn up by the committee which shall be set up for the purpose.

Nevertheless, as per a decree to be issued by the Director General of the Customs in case of necessity, parcels may be opened without the interest parties being present by the committee which shall be set for the purpose.

##### **Article 52**

Inspection shall take place at the customs area. Permission may in some cases be given for the inspection to be carried out outside the customs area at the request and at the expense of the interested parties according to the rules which shall be established by the Director General of the Customs Administration.

#### **Article 53**

Customs may under all circumstances re-inspect the goods as long as they are under its control.

#### **Article 54**

Customs shall have the right to analyze some materials with a view to ascertaining their type, specifications or their compliance with health and agricultural regulations and otherwise. The analysis may be carried out at the request and expense of the interested parties.

The interested parties may object to the result of the analysis which has been carried out at request of the customs or may request the analysis be repeated at their expense. The rules regulating these formalities shall be determined as per a decree to be issued by the Minister of Treasury.

#### **Article 55**

Customs shall undertake to destroy the materials, which the analysis proved being harmful, at the expense and in the presence of the owners thereof unless they undertake to re-export such materials during the delay to be determined by Customs.

These materials shall be destroyed in the presence of the interested parties at the time to be fixed to them by Customs. In the event of their failure to be present, the materials shall be destroyed without their presence, and a report to this effect shall be drawn up.

#### **Article 56**

When the state of emergency is declared, measures may be adopted for the withdrawal of the goods against special guarantees and under special conditions to be determined as per a decree to be issued by the Minister of Treasury.

## **Chapter (4)**

### **Arbitration**

#### **Article 57**

In case a litigation arises between customs department and the concerned party on the type, origin or value of the goods, and the concerned party or his representative requests that the dispute be referred to arbitration, and customs department concedes thereto, the litigation shall be referred to an arbitration committee to be formed under one of the judiciary bodies' members whose grade is same as or equivalent to that of a President of a court, to be chosen by the body, and appointed by a decree of the Minister of Justice, with the membership of an arbiter from Customs Department to be appointed by the Head of the Department or his deputizing assignee, and an arbiter to be chosen by the concerned party or his representative.

The committee shall issue its substantiated decision, with the majority of views. If the decision is issued unanimously, it shall be final and mandatory to the two parties and incontestable except in the cases prescribed in the Law on Arbitration in Civil and Commercial matters, as promulgated by law no. 27 of the year 1994.

A non-final decision of the Committee may be traversed before a higher arbitration committee to be formed under a member of the judiciary bodies with at least a counselor's grade or its equivalent, to be chosen by the body and appointed by a decree of the Minister of Justice, with the membership of an arbiter for Customs Department to be chosen by the Head of the Department or his deputizing assignee, and an arbiter to be chosen by the concerned party or his representative.

The higher arbitration committee shall decide the litigation by virtue of a substantiated decision issued with the majority of views. The decision shall comprise a statement indicating the party that shall bear the arbitration costs. The decision of the higher arbitration committee shall be final and binding to the litigation parties. It shall be incontestable except in the cases prescribed in law no. 27 of the year 1994 referred to.

If the non-final decision of the committee is not traversed, the concerned party may traverse that decision in accordance with the cases prescribed in law No. 27 of the year

1994 referred to. shall be applied to the arbitration where no special provision is mentioned in the previous clauses.

#### **Article 58**

In order that arbitration is carried out according to the previous article, the goods are stipulated to be still under customs department's control, except in the cases and according to the conditions and terms to be determined by a decree issued by the Minister of Finance.

### **SECTION (4)**

### **SPECIAL CUSTOMS SCHEMES**

#### **Chapter (1)**

#### **General Provisions**

#### **Article 59**

The goods may be admitted or transported by land or by sea or by air from one to another place within the Republic or otherwise and suspending the payment of customs duties and other dues and levies due thereon being suspended according to the terms, conditions and periods to be determined by the Minister of Treasury.

#### **Article 60**

The goods provided for in the preceding Article shall be subject to the duty in force at the date of payment of the duties and levies due thereon by way of deposit or at the date of registration of the undertaking in case where the periods referred to in that Article are not observed.

#### **Article 61**

National and foreign goods, for which customs duties have been paid, may be transported from one to another place within the Republic without having to pass at foreign ports according to the conditions to be determined by the Customs.

## **Article 62**

Foreign goods, for which customs duties have not been paid and which are not subject to one of the special schemes contained in this law, may be returned abroad or transferred from one place to another within the Republic, on condition of the necessary guarantees being submitted and the formalities to be determined by the Director General of the Customs being complied with.

## **Chapter (2)**

### **Transit Goods**

## **Article 63**

Foreign goods which are produced under the scheme of transit goods may be transported without taking the sea route whether they entered the borders to go out directly from other borders or whether they are dispatched from one branch of the Customs to another.

## **Article 64**

Formalities pertaining to transit goods may not be allowed to be carried out except at the branches of the Customs intended for the purpose and after payment of the customs duties and other levies due thereon by way of deposit or after presentation of guaranteed undertaking to dispatch the goods to their destinations within the fixed period.

## **Article 65**

Transit goods shall not be subject to the restriction and prohibition unless otherwise is provided for in the decrees issued in this connection.

## **Article 66**

The arrival of the goods at their destinations in the foreign countries shall be evidenced by the presentation of a certificate from the Customs of these countries acknowledging

the receipt thereof, and the Customs shall have the right to grant exemption from the presentation of this certificate or to accept any other evidence.

#### **Article 67**

The goods shall be transported according to the transit scheme on all roads and by all means of transport under the responsibility of the signatory of the transit undertaking.

#### **Article 68**

The provisions concerning the statement and inspection as provided for in this law shall apply to the goods referred to in the foregoing Article.

#### **Article 69**

Transit goods or any means of transporting them or both shall be stamped in the manner to be determined by the Customs, and the signatory of the undertaking shall be held responsible for the damage being caused to the stamps or the goods being tampered with.

### **Chapter (3)**

#### **Warehouses**

#### **Article 70**

Warehouses shall be taken to mean the storage facilities where incoming goods shall be accepted without payment of customs duties for the periods to be determined by this law. The warehouses shall be divided into two types, namely a public warehouse where goods are stored for the account of third parties and a private warehouse where the owner thereof stores his incoming goods authorized to be stored therein.

#### **(I) The Public Warehouse**

#### **Article 71**



As per a decree to be issued by the Minister of Treasury upon the proposal of the Customs Administration, the scheme of the public warehouse shall be authorized to enter into operation.

The storage and other expenses as well as the fees due for payment to the Customs Administration, the guarantees to be offered and other stipulations pertaining to the warehouse shall be determined as per a decree to be issued by the Minister of Treasury.

The terms and conditions concerning the specification and management of the warehouse shall be determined as per a decree to be issued by the Minister of Treasury in agreement with the Minister concerned.

#### **Article 72**

The period of stay of the goods at the public warehouse shall be fixed at six months which may be extended for another three months when required in accordance with a special request to be approved by the Director General of the Customs.

The period may, in cases of necessity, be reduced or extended as per a decree to be issued by the Minister of Treasury.

#### **Article 73**

Shall not be permitted to be stored in the public warehouse prohibited goods, explosives and similar materials, inflammable materials, goods displaying symptoms of contamination and those the availability of which at the public warehouse exposes them to risks or may cause damage to the other goods, the goods the preservation of which requires special installations and the goods in bulk unless the warehouse is intended for the purpose.

#### **Article 74**

The goods shall not be accepted at the public warehouse unless they are accompanied by a warehouse warrant.

This warrant shall be presented and the goods inspected in accordance with the conditions to be determined by the Customs Administration.

#### **Article 75**

The Customs shall have the right to exercise control on the public warehouses which are operated by the other authorities, and the authority exploiting the warehouse shall be held responsible for the goods stored therein in accordance with the provisions of the laws in force.

#### **Article 76**

The authority exploiting the public warehouse shall replace the owners of the goods stored therein vis-à-vis the Customs as to all their obligations arising from storing these goods.

#### **Article 77**

The goods stored at the public warehouse shall be sold in accordance with the stipulations provided for in Section 9 should the interested parties fail to return them abroad or pay the Customs duties payable thereon during the period of storage, a sale which shall be effected after one month from the date of serving a notice on the exploiting authority.

#### **Article 78**

The Customs shall have the right to authorize the following operations being carried out at the public warehouse under its control:

- (a) to mix foreign products with other foreign or domestic products for the purpose of re-exporting them only. In this case, it is a condition to put special marks on the coverings and allocate a special place for them.
- (b) to remove the coverings, to transport from one to another container, to collect or divide the parcels and to carry out all work intended for maintaining the products or improving their appearance or facilitating the disposal thereof.

#### **Article 79**

Customs duties shall be assessed on the goods, which have previously been stored at the public warehouse, on the basis of the weight and number thereof at the time of storage.

The authority exploiting the warehouse shall be held responsible for the customs duties, other dues and levies due for each shortfall, loss or change in these goods, besides the fines to be imposed by the Customs.

These duties and levies shall not fall due if the shortfall or loss or change is due to natural causes, a force majeure reason or an accident beyond control.

#### **Article 80**

Goods may be transported from one public warehouse to another or to one of the branches of the customs as per guaranteed undertakings.

The signatories of these undertakings shall have to present a certificate for admitting the goods to the public warehouse or to the customs storage facilities for storing or withdrawing them for consumption or for subjecting them to any other customs scheme.

### **(II) Private Warehouse**

#### **Article 81**

Authorization may be given for the establishment of a private warehouse at the places where branches of the Customs are available if an economic necessity so requires.

The business of the private warehouse shall be liquidated within not more than three months from date of canceling the customs branch.

#### **Article 82**

The license establishing the private warehouse shall be issued as per a decree by the Ministry of Treasury upon the proposal of the Director General of the Customs.

The decree shall determine the location of the warehouse, the rent to be paid annually, the guarantees to be offered and the other stipulations.

Shall also be determined as per a decree to be issued by the Minister of Treasury in agreement with the Minister concerned the terms and conditions concerning [he specifications and management of the warehouse.

### **Article 83**

The goods deposited with the warehouse should be presented on each demand by the customs, and any shortage occurring for any reason other than that arising from such natural causes as evaporation, dryness or leakage or the like may not be disregarded.

### **Article 84**

The goods, of which importation is prohibited, shall not be allowed to be deposited with private warehouses except with a special permission from the Director General of the Customs.

### **Article 85**

The provisions of Articles 72, 74,75,76,77 and 80 shall be applied to private warehouses.

## **Chapter (4)**

### **Free Zones<sup>1</sup>**

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<sup>1</sup> Free zones have been fully reorganized by virtue of Law No. 43 for the year 1974 on the investment of Arabic and Foreign Capitals and free zones regimes, amended by Law No. 8/1997 on investment incentives and guarantees and its amendments, which makes the chapter on free zones - within the customs law - (namely, the articles from 86 -97) included in the second article of the civil law (legal opinion no. 593 dated, 29/7/1993, file no. 37/2/444, the General Assembly for the legal opinion and legislation department, the state council.

## **Chapter (5)**

### **Temporary Exemption**

## **Article 98**

There shall be exempted temporarily from the customs taxes and other taxes and fees the primary materials and intermediate goods that are imported with the intent of manufacturing them as well as the production requisites of exported goods and the items imported for the object of repairing or completing the manufacture thereof.

Pursuant to a presentation by the Minister of Finance and the Minister concerned with Foreign Trade, a decree shall be issued by the Prime minister showing the cases, the terms and procedures in which there will be temporary exemption against the depositing of a security or a surety of the value of the taxes and fees due as well as the cases in which no such security or surety is to be deposited.

The said materials and items shall also be exempted from the import rules provided for in the laws relevant to importation.

The said materials and items may be disposed of for purposes other than those for which they were imported, subject to satisfaction of the import rules and payment of the taxes and fees due on the date on which such materials and items entered into the country plus a surtax at the rate of (2%) monthly of the value of the taxes and fees due for each month of delay. Importer shall, under the supervision of the Customs Administration, submit thereto an adequate annual inventory in which to show the materials that had been disposed of for other than their intended purposes. The amounts due thereon shall be settled according to the provisions of the preceding paragraph.

In cases other than those provided for in the preceding paragraphs of this Article, for the said materials and items to be disposed of for purposes other than those intended from their import without referring to the Customs Administration, the taxes and fees due on the date on which such materials and items entered into the country will have to be paid plus two times as much as the surtax provided for in this Article.

The security or surety aforementioned shall be refunded forthwith in the proportion of what had been transferred by importers or by third parties of the manufactured products or items to some free zone or had been exported out of the country or had been sold to bodies enjoying complete exemption from taxes and fees or to bodies which paid the taxes and fees due in respect thereof in accordance with the provisions of this article,

within two years from the release date. Should the said time-limit expire without this completed, the said taxes and fees shall become payable. Such time-limit may be extended for other term(s), not to exceed two years, by a decree of the Minister of Finance or whoever is delegated thereby.

The equivalent of the value of the partial exemption from the taxes and fees due on the end products or the items referred to in the first paragraph of this article shall be refunded if the sale was made to bodies enjoying partial exemption.

The rules and procedures regulating temporary allowance and the systems of returning the security or surety aforementioned shall be decreed by the Prime minister pursuant to a presentation by the Minister of Finance and Minister concerned with Foreign Trade.

#### **Article 99**

Shall be determined as per a decree to be issued by the Minister of Treasury in agreement with the Minister of Industry the materials and items which are subject to this scheme and the industrial operations to be carried out thereon, as well as the percentage of industrial waste and the necessary conditions for this.

#### **Article 100**

If the industrial operations, which have been carried out on the items referred to, have changed their features to such an extent as to render it difficult to recognize their kind suffice it for the exported products to be of the type in the manufacture of which usually enter the imported items in accordance with a decree to be issued by the Minister of Treasury in agreement with the Minister of Industry.

### **Chapter (6)**

#### **Temporary Release**

Source: <http://www.wipo.int>

#### **Article 101**

The goods may temporarily be released without charging the prescribed customs duties and dues under the terms and conditions to be determined by the Minister of Treasury.

The Minister of Treasury shall establish special regulations for facilitating the release of the goods arriving in the name of Ministries, government departments, general organizations and the companies belonging thereto according to the conditions and formalities to be determined by him.

### **Chapter (7)**

#### **Refund of Customs Taxes**

#### **Article 102**

The customs taxes and fees as well as the service fees charged to the foreign materials that had been used in the making of local exported products shall be refunded provided that they should have been transferred to a free zone, have been re-exported or have been sold to bodies enjoying complete exemption from such taxes and fees, within a period not to exceed two years from the release date. Such period may be extended for other period(s) up to two years maximum by a decree of the Minister of Finance or whoever is delegated thereby.

The equivalent of the value of partial exemption from taxes and fees shall be refunded if the sale was made to bodies enjoying partial exemption.

Refund shall take place immediately after the transfer to a free zone or completion of the export or sale in the above-mentioned cases, within not later than one month from the date of submitting an evidence of the same. A special account may be opened for this purpose, with the approval of the Minister of Finance, at some commercial bank in which to deposit a percentage of the proceeds drawn from the drawback system.

#### **Article 103**

The rules and procedures regulating the refund of customs taxes and other taxes and fees on the foreign materials that were used in the production of exported goods and the industrial processes performed thereon and the percentage thereof as well as the requirements that have to be satisfied for the same shall be determined by a decree to be issued by the Prime minister pursuant to a presentation by the Minister of Finance and the Minister concerned with Foreign Trade.

#### **Article 104**

If the industrial operations, which have been carried out on the items referred to, have changed their features to such an extent as to render it difficult to recognize their kind, it may suffice for the products exported to be of the type in the manufacture of which usually enters the imported items themselves on condition of these items being previously imported from abroad.

#### **Article 105**

Customs and consumption duties shall be refunded upon exporting the imported foreign products, which have no locally produced substitute, on condition that the sample thereof being ascertained and export being carried out within one year from the date of payment of the duty according to the terms and conditions for which shall be issued a decree by the Minister of Treasury.

Shall also be refunded the customs duties and other dues which have previously been collected upon exporting machinery or equipment or goods which have previously been imported and the acceptance of which has finally been refused for any reason, on condition of the export thereof being affected within one year from the date of payment of the duty.

#### **Article 106**

Shall be refunded the customs duties previously collected at the time of export in respect of domestic goods and products if they are re-imported from abroad or withdrawn from the free zone in the condition in which they have been at the time of export or at the time of entering the free zone according to the terms and conditions for which shall be issued a decree by the Minister of Treasury.



### **Section (5)**

#### **Customs Exemptions**

#### **Articles from 107:110**

This Chapter has been eliminated by virtue of law no. 19 for the year 1983 and replaced by law no. 186 for the year 1986 and its amendments concerning the Customs Exemptions.

### **Section (6)**

#### **Services Charges**

#### **Article 111**

The goods which are deposited with storage yards, stores and warehouses, which are administered by the Customs, shall be subject to storage, portage and insurance charges and the other additional charges required by the operations of depositing and inspection of the goods and all other services provided by the Customs.

The goods which are deposited with the free zones shall not, however, be subject to other than the charges in respect of occupying the zones where they are deposited and the charges in respect of the services provided to them.

The prices of printed matters and the rates to be charged in respect of the services referred to in the aforementioned two paragraphs shall be fixed as per a decree to be issued by the Minister of Treasury, and the Minister, or whoever is deputized by him, shall have the right to reduce or grant exemption from the storage charges in the cases to be designated by him.

#### **Article 112**

The wages in respect of the work to be undertaken by the customs officials for the account of the interested parties in other than official working hours or outside the

customs area shall be determined as per a decree to be issued by the Minister of Treasury.

### **Article 113**

The charges and wages provided for in the two foregoing articles shall not be included in the scope of the exemption from or the refund of the taxes referred to in this law.

## **Section (7)**

### **Customs Contraventions**

### **Article 114**

"A fine amounting to L.E. 500 shall be inflicted on the captains of vessels, aircraft and other means of transport in the following cases:

1. Failure to submit the manifest, its non-existence, its plurality, delaying its submission or refraining from submitting any other document when required by the customs.
2. The omission of what shall be included in the manifest.
3. The moorage of vessels, landing of aircraft, or parking of other means of transport within the customs circle in other than the places determined for them by the customs department.
4. Loading, unloading or transferring the goods from one means of transport to another, whatever its kind without an authorization from the customs department, or without the presence of the customs employees.
5. Unloading the goods within the customs circle in other than the places appropriated for that purpose.
6. The departure of vessels, aircraft, or other means of transport from the customs circle without a permit to that effect.

The customs department shall have the right to remove the causes for the violation at the expense of the violator.

In all cases, the customs department shall not delay the release, unloading, or transporting of goods in discharge of the above-mentioned fine. The customs department may not claim from the parties in whose names the goods have been imported, to pay their value".

#### **Article 115**

Subject to any stricter penalty provided for in the law, a fine amounting to L.E. 200 shall be inflicted in the following cases:

1. Preventing the customs employees from carrying out their duties, and exercising their rights of inspection, verification, and having access to the relevant documents.
2. Failure by the customs brokers to follow the statutes that determine their duties.
3. Failure to maintain the seals affixed to the parcels, or other means of transport without leading to a decrease or a change in the goods.
4. Failure to follow the procedures prescribed in article 62 of this law.

#### **Article 116**

A fine not exceeding three hundred Egyptian pounds shall be imposed, if the Customs duties that are exposed and liable to be lost do not exceed one thousand Egyptian pounds in the following cases:

1. Possession or transport of goods within the scope of Customs Control, contrary to Customs Statutes.
2. Entry or exit of the goods into or from the Arab Republic of Egypt or embarking on doing that without a Customs statement, or through other than the Customs channels or offices.
3. Import - by post - of closed rolls, or boxes carrying no regular cards contrary to the provisions of postal conventions/agreements.
4. Contravening the regulations and systems of transit, warehouses, free zones, temporary admission, temporary release, or exemptions.

#### **Article 117**

Subject to the provisions of article (38) of this law, and any stricter penalty prescribed by the law, whoever causes premeditatedly or by negligence an increase in the items listed in the manifest, in terms of the number or contents of the parcels, or the bulk goods, shall be liable to a fine equals one quarter of the customs duty that is exposed to loss.

If the goods in excess are found to carry the same numbers and marks that are placed on other parcels listed in the manifest, then the parcels on which bigger taxes and duties are due shall be considered the parcels in excess.

#### **Article 118**

A fine equals one quarter of the customs duty that is exposed to loss shall be imposed in the following cases:

1. Submitting incorrect data concerning the country of origin and the kind of goods.
2. Violating the transit, warehouses, free zones, temporary admission, temporary release, exemptions, and other special customs systems, if the customs duties that are exposed to loss exceed one thousand pounds.
3. Failure to maintain the papers and documents, or non-submitting them, in violation of the provisions of article (30) of the present law.

A fine equals 15% of the customs duty that is exposed to loss shall be inflicted in case of submitting data concerning the valuation of the imported goods for customs purposes in such a way that decreases the customs duty by more than 20%, providing the customs department shall abide by the agreement regarding the valuation of imported goods for customs purposes.

#### **Article 118 (Bis)**

In case the violations mentioned in articles nos. (114, 115, 116, 117 and 118) of this law are committed by a juridical personality, the official in charge of the actual management of that violating juridical personality shall be liable to the same penalties prescribed with regard to the acts committed in violation of the provisions of these articles, whenever the fact that he was aware of such violations is established, and the crime took place due to his default in carrying out his duties. The juridical personality shall be jointly responsible with that official for settling the fines ruled in case the crime is committed by one of its employees in its favor and on behalf of it.

The goods shall act as a security for the fines imposed in respect thereof in case the violation is committed by the person in possession of such goods or his representative.

#### **Article 119**

The fines and compensations prescribed in articles 114, 115, 116, 117, and 118 of the present law shall be ruled by virtue of a Court criminal warrant, according to the rules

and procedures prescribed in the Criminal Procedure Law, upon the request of the Head of Customs Department or his deputizing assignee. The Head of Customs Department or his deputizing assignee may accept arranging a composition until before a peremptory ruling is passed in the court action, against settling not less than the minimum of the aforementioned fines and compensations. The composition shall result in abating the criminal action.

The fines and compensations shall be collected in favor of Customs Department. In all cases, the goods shall be a security for settlement of the fines and compensations.

#### **Article 120**

The captains of ships and aircraft and the drivers of the other means of transport shall be regarded as being responsible under the civil law for each contravention pertaining to the crew of the ships, aircraft or the means of transport. The ships, aircraft and other means of transport shall be a guarantee for the payment of the customs duties and fines. The owners of the goods shall be regarded as being responsible for the acts of their employees as well as for the acts of the clearing agents to the preparation of customs information and formalities, and the clearing agents shall be answerable for their acts and those of their employees in this connection.

#### **Section (8)**

##### **Smuggling**

#### **Article 121**

Shall be regarded as smuggling the bringing in or sending out of goods of any type from the Republic through illegitimate means without payment of all or part of the customs duties payable or in contravention of the schemes in operation in connection with prohibited goods.

Possessing foreign goods for trading purposes, while knowing they are smuggled goods, shall be considered as good as smuggling. Submitting false and fabricated documents or invoices, placing phony marks, concealing and hiding the goods or marks, or committing any other act aimed at getting rid of due customs taxes, wholly or partially

in violation of the systems in force concerning the banned goods, shall also be considered as good as smuggling

The failure to seize the goods shall not preclude from proving that smuggling has taken place.

## **Article 122**

Subject to any stricter penalty prescribed by any other law, whoever perpetrates the crime of smuggling shall be liable to a penalty of imprisonment and a fine not less than five hundred pounds and not exceeding ten thousand pounds, or either penalty.

If the crime of smuggling goods is perpetrated for trade purposes, then the penalty to be inflicted shall be an imprisonment term not less than two years and not exceeding five years, and a fine not less than one thousand pounds and not exceeding fifty thousand pounds, or either penalty.

Whoever possesses smuggled goods for trade purposes while knowing that they are smuggled, shall be liable to a fine less than one thousand pounds and not exceeding fifty thousand pounds.

In all cases a court ruling shall be pronounced inflicting on the perpetrators, their accomplices and the juridical personalities in whose favor the crime was committed jointly, the payment of a compensation equivalent to the amount of the due customs duties. If the goods, subject of the crime are of the prohibited kinds or their import is banned, the compensation shall be equivalent to twice their value or twice the due customs duties, whichever is bigger. In such case, a court ruling shall be pronounced confiscating the smuggled goods. However, in case these smuggled goods are not seized, a court ruling shall be pronounced to the effect of paying an amount equal to the value of these goods.

A court ruling may be pronounced confiscating the means of transport, tools and materials that have been used in the crime of smuggling, with the exception of vessels and aircraft unless they were actually prepared or chartered by their owners for that purpose.

The infliction of the stricter penalty with regard to the crimes committed in association with smuggling shall not prevent the infliction of the aforementioned compensation and confiscation.

Smuggling actions, when referred to the court, shall be heard expeditiously.

### **Article 123**

The penalties prescribed in the second and fourth clauses of article (122) of the present law shall be inflicted on whoever refunds by way of forgery, all or part of the customs duties or the other taxes, as well as the amounts paid on account of these duties or taxes or the guarantees submitted in their respect. The compensation shall be equivalent to twice the subject amount of the crime.

### **Article 124**

The criminal action may not be brought in the crimes of smuggling prescribed in the previous articles, except upon a written request from the Minister of Finance or his delegated deputy.

The Minister of Finance or his delegated deputy shall have the power to accept the conciliation in any of such crimes in return for paying the compensation amount in full at any one of the criminal action stages. If the goods, subject of the crime are of the prohibited kinds or their import is banned, the compensation shall be calculated on basis of the customs duty or the value of the goods, whichever is bigger.

In case of conciliation, the seized goods shall be returned after settling the taxes due thereon, unless they are of prohibited kinds or their import is banned. The means of transport, tools, and materials used in the crime of smuggling shall be also returned.

The compensation amount referred to above shall be doubled in case the conciliation takes place in respect of a crime of smuggling committed by a convict who had committed during the last five years another crime of smuggling in whose respect a final court ruling of conviction was issued, or the criminal action in regard thereof was abated by conciliation.

The conciliation shall result in abating the criminal action as well as all the effects resulting from the ruling. The Public Prosecution shall order staying the execution of the criminal penalty if the conciliation takes place in the course of its execution, even if the ruling is final.

#### **Article 125**

The customs shall have the right to dispose of the goods, means of transport, tools and materials which have finally been pronounced to be confiscated.

### **Section 9**

#### **Selling of Goods**

#### **Article 126**

The customs shall have the right to sell the goods which have remained for a period of four months at the customs stores or on quays and that after the approval of the Minister of Treasury.

The Minister shall have the right to reduce this period in the cases of necessity.

As to the goods which are liable to decrease or deterioration, they may not be held at the customs except for the period which their condition permits and if they are not withdrawn during this period, a report on their condition shall be drawn by the customs and the goods shall automatically be sold by the customs without the need to advise the interested parties.

The provisions of paragraph - 1 shall apply to the objects which are left by passengers at the customs offices.

#### **Article 127**

Prior to a judgment being delivered by the competent court or a decree being issued by the Authority concerned as the case may be the Customs shall have the right to sell the goods and objects which are liable to deterioration or exposed to leakage or decrease as well as the animals kept with the customs as a result of a dispute or seizure.



Sale shall be effected after a report on the circumstances justifying the sale being drawn up by the official concerned.

If, after the sale, a pronouncement is passed for returning the goods or the objects referred to or the animals to their owner, the balance of the price shall be paid to him after deduction of all expenses.

#### **Article 128**

The customs shall have the right to sell also:

1. The goods and objects which have devolved to the customs as a result of a reconciliation or assignment.
2. The goods which have not been withdrawn from the general or private warehouses during the period fixed for the purpose, with due regard to the provision of article (77).
3. The remainders of the goods and objects of a negligible value of which the owners have not been identified and which have not been claimed during three months.

#### **Article 129**

The sales provided for in the preceding articles shall be effected according to the terms and conditions for which shall be issued a decree by the Minister of Treasury and such goods shall be sold after payment of the customs duties and other duties and taxes, and the price shall be paid immediately.

#### **Article 130**

The proceeds of sale shall be distributed according to the following order:

1. Selling expenses and expenses of whatever type which have been spent by the customs.
2. Customs duties.
3. Other dues and levies.
4. The expenses spent by the owner of the warehouses.
5. Storage charges.
6. Freight.

The balance of the selling price of the goods authorized to be imported shall, after deduction of the above expenses, be deposited with the cash office of the customs, and

the interested parties shall have the right to claim it within three years from the date of sale, failing which it shall become the right of the State Treasury.

The Balance of the selling price of the goods prohibited to be imported shall, however, become the right of the State Treasury.

#### **Article 130 Bis**

If the goods set forth in article (126), and items (2, 3) of article (128) of the present Law have been put up for sale at least twice, in accordance with the prescribed rules and procedures, and their owners failed to withdraw them within two years from the date of the last time of putting them up for sale, their owners shall be considered to have relinquished them with the purpose of waiving their ownership to the state once their owners have been notified thereof by registered letter with acknowledgment of receipt with the lapse of six months from the date of that notification.

The Customs Department, after obtaining a writ on a petition from the competent judge may dispose of the goods referred to in the foregoing clause to the governmental quarters, the public juridical persons, or public-benefit societies, for free or with charges to be agreed upon with them according to the situations and procedures to be issued by decree of the Minister of Finance following approval by the concerned quarters.

In this case, the goods waived or disposed of shall be exempted from the taxes and customs duties, the general sales tax, and services fees.

#### **Article 131**

The Minister of Finance shall set one or more statutes for remunerating the employees of the customs administration in light of their rates of performance and standards of achievement in work, without being restricted by any other statutes and after consulting the view of the Prime Minister. The State's General Budget shall provide for allocating moneys for contributing to the social cooperation and saving funds, the joint funds, as well as the sporting clubs concerned with the administration's employees.