

CAI

30°02'32" N

31°13'57" E

PSD

29°42'49" N

32°18'17" E

SUZ

31°15'33" N

32°18'10" E

SC°Z■NE'

المنطقة الاقتصادية

لقناة السويس

SUEZ CANAL ECONOMIC ZONE

THE IMPORT AND EXPORT REGULATIONS TO & FROM SCZONE

THE REGULATION AND CRITERIA FOR PROJECTS' ACCEPTANCE AT SCZONE

# THE IMPORT AND EXPORT REGULATIONS TO & FROM SCZONE



The General Authority for the Economic Zone issued rules regulating the import and export to and from the SCZONE that differ from the general rules in Egypt aiming to more facilitation to its projects to achieve competitiveness, by reducing cost and time of regulatory examination on shipments and reducing supporting documents.

## Main features of the new rules:

### Special regulation

New rules governing the relationship with foreign markets and local market, treating the products of SCZONE establishments as local products

### Difference than general regulations

Imports from abroad are not subject to import general rules in Egypt

### Proportions of manufacturing and & ingredient

Lowest percentage of local manufacturing to benefit from the simplified procedural benefits of production projects and treatment as a national product (not less than 30%). The higher the local component, the higher the value of customs exemptions

### Preference to productive projects

The rules support productive industrial projects as a national product and give them preferential procedural advantages over commercial projects

### Foreign branches

Branches of foreign companies with the famous trademark are allowed to carry out logistic and import projects in their name

### Certificates of Origin

Preferential certificates of origin in accordance with international conventions are issued by the customs complex in SCZONE, and the certificate of origin for the local market is issued by SCZONE only

### Infrastructure

Developing the infrastructure to carry out laboratory testing work in one location within various SCZONE's areas

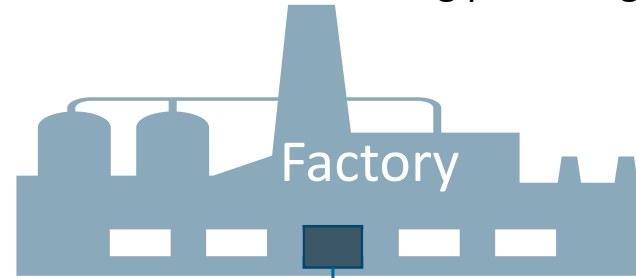
### Registration at the exporters and importers register

Zone projects are not subject to registration at the exporters & importers register when dealing with the local market

# THE IMPORT AND EXPORT REGULATIONS TO & FROM SCZONE

**Procedural advantages and the most important points that must be taken in consideration in the rules of import and export.**

Taking into account that in order for the products of the region productive projects to enjoy the following logical treatment as of the national product upon entering the local market, the manufacturing percentage must be not less than 30%.



**Bank financing form (4)**  
There is no need to issue the Bank Form (4) for imports as long as the local currency is dealt with.



**Factory registration decision**  
The productive projects/Companies of the region are exempt from the registration into the decree(43) registration to export to the local market.



**Sales to the local market**  
The project can sell to the local market without registering the buyer in the importers register.



**Purchases from the local market**  
The project can purchase from any seller in the local market without this seller being registered in the exporters' register.

# THE IMPORT AND EXPORT REGULATIONS TO & FROM SCZONE

Procedural advantages and the most important points that must be taken in consideration in the rules of import and export.

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## Registration in the importer's register of dealers

No need to register the customer (the buyer in the local market) to be registered in the customs dealers register

6

## Submission documents

Dealing with the least documents when the production project deals with the local market, only those who have it (tax card and commercial register)

7

## Launching international exhibitions inside and outside the region

Companies whose products have been issued a restriction not to import until after the registration of a factory decision (43), are now allowed to practice without this restriction

8

## scope of transactions

Limiting dealing with merchants and factories in the local market, and it is prohibited to deal with individuals

9

## Re-export factories

It is prohibited to re-export production requirements and raw materials previously exported from the local market for manufacturing purposes

10

## Re-export of logistics projects and warehouses

Investment logistic projects and customs warehouses may receive goods from inside the country and export them abroad in accordance with the general rules of importation.

11

## Taking into account the rates of entry into the local market

Controls will be established to determine the rates of entry to the local market and to export outside the country, according to criteria, including the distinction between small, medium and large enterprises, and taking into account the public interest of the country.

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## Certificates of origin for the local market

In the case of entering the local market, a certificate of origin is issued by the Economic Authority and an indication that the product was manufactured at the project site

# SUMMARY ON THE IMPORTS/EXPORTS REGULATIONS

## IMPORTS RULES

1. Companies acting in the SCZONE are permitted to import necessary machines, tools, materials, separates, needed for operation, production, or extensions, by itself or through a second party without being listed in the importers record, and without prior import permission.
2. Egyptian products exported to the zone from the local market are treated as products exported outbound. (from abroad)
3. Imports from abroad to the zone are not subject to the general rules of imports.

### Prohibition of Dealing

4. The Board of Directors of SCZONE – after its chairperson’s advice – is entitled to prohibition of dealing with a specific foreign supplier who is deliberately damaging national economy.
5. The Board of Directors of SCZONE also should enforce the competent minister of external trade advice to prohibition of dealing with a specific foreign supplier who is deliberately damaging national economy. Reasons of such advice must be present to the board.

### Custom Taxes

6. Production/services projects are required to submit all necessary and requested documents to the competent tax office.

### Trademark

7. Projects registered as foreign branches are permitted to import products related to its trademark by itself.
8. The general rules of importing are only applicable to products entering the local market.

### Exhibitions

9. International/regional exhibitions can be held in the zone, and logistics companies are allowed to hold such exhibitions.
10. Projects are only allowed to deal with merchants and factories inbound, this would be considered importing infringement.

# SUMMARY ON THE IMPORTS/EXPORTS REGULATIONS

## EXPORTS RULES

1. Production companies are permitted to export its products outbound whether by itself or a second party, without being listed in the exporters record, and without prior permission.
2. Products can be received from inside the country for the operational or exporting purposes; companies are not permitted to re-export material/tools necessary for running the project's activity.
3. Exports from the zone to the local market are allowed within the quantity, percentage and time duration decided by the Board of Directors. Project's certificate shall state these determinants.
4. Goods produced in the zone are treated as national products with regard to documentational and importing constraints whenever entering the local market.
5. Imported goods and products shall be released from the tax station with the tax invoice, and a list states the type of product, the name of the local importer its tax number.
6. Goods and products imported from public warehouses in zone for the purpose of local trade shall be released with the tax invoice for those listed in the importers record. Exports to the local market are subject to the general rules of exporting from outside.
7. Projects registered as foreign branches, warehouse private projects of franchisees are permitted to export outbound, or inbound. In case of exporting to the local market, goods become subject to general rules of exporting from outside.
8. Goods exported to the government are subject to general rules of exporting from outside the country.
9. Projects are permitted to export to the local market under special needs conditions.
10. Logistical and production projects are permitted to hold exhibitions jointly with the authority and in compliance with rules and regulations.
11. Gifts, aid granted to public legal persons, or schools, or institutes, or nurseries, or hospitals can be released without compensation, after the authority's approval.

# SUMMARY ON THE IMPORTS/EXPORTS REGULATIONS

1. Exports/imports from and to the zone are subject to the supervision of the General Organization for Export & Import Control, the projects shall fill out the required documents.
2. Custom inspection and auditing shall be implemented by a unified committee and in parallel with taking laboratory samples by the committee.
3. The Authority shall submit a quarter annual statistical statement to the department of foreign trade at the competent ministry, listing the approval categorized in goods, countries of origin, amount, and value.
4. Goods from custom warehouses shall enter the local market only after fulfilling quality control criteria.
5. Exports outbound are subject to quality control procedures at the inspection building in the zone.
6. Projects pay the laboratory inspection fees for goods and products.

# SUMMARY ON THE IMPORTS/EXPORTS REGULATIONS

## INTERNATIONAL TRADE AGREEMENTS & THE CERTIFICATE OF ORIGIN

1. Conditions and privileges stated in the international agreements on which Egypt is signatory apply on the projects.
2. Certificates of Origin for the zone's exports of Egyptian goods to countries that have trade agreements with Egypt, shall be issued by a representative from the General Organization for Exports and Imports Control.
3. The Authority issues Certificates of Origins in case no legal agreement states the competent body.
4. Certificates of Origin shall be issued upon a resale operation approval from the chairperson, after the verification of the product and on the project's responsibility.



# THE REGULATION AND CRITERIA FOR PROJECTS' ACCEPTANCE AT SCZONE

Prior to signing any contracts between the developer and the end-user/investor

The Developer shall commit to the following:

Receiving SCZONE's approval on the general/detailed Master Plan of the developer's land/space as mentioned in the development timetable of the approved contract.

Determining the land use mix and activities' distribution on the detailed Master Plan, for SCZONE to approve to the developer to host the project in its respective plot, as submitted by the end-user/investor.

Preparing an environmental impact assessment study for the total area or the phasing of the developer (according to general/detailed Master Plan approved by SCZONE).

# THE REGULATION AND CRITERIA FOR PROJECTS' ACCEPTANCE AT SCZONE

For the  
developer to  
accept projects  
from the end-  
user/investor

- I. The developer shall submit projects to SCZONE to get approvals and be responsible to the SCZONE authority in the event of non-establishment the project, also commit to completing the development phases in accordance to the contract (the development timetable).
- II. The developer shall submit an executive summary\* for each project submitted to him by the end-user/investor, prepared by a specialized consultant, including the following:
  1. Determining the project's activity/field (industrial-logistic-commercial-service...etc).
  2. Investment costs and paid-up capital.
  3. Source & percentage of Finance (self-financed % - loans %).
  4. The Founder/Stakeholders, their Nationality and their Capital Share%.
  5. Location/plot of the project on the developer's Master Plan coupled with an engineering drawing for the required area indicating dimensions describing spaces, facilities, entrances and exits on the roads.
  6. The construction period and trial operation date.
  7. Description of the project including the manufacturing phases and the production lines.
  8. Identifying the ISIC4 activity sub-code and customs clause of final products HS-Code.
  9. Targeted markets and percentage of export to foreign and local markets.
  10. Required utilities for the project during (construction, operation phase & maximum capacity).
  11. Expected employment (direct & indirect) indicating percentage of foreign labor (10% by the law), and exceptions should be clearly stated with the reasons to present to SCZONE BoD for approval/disapproval.

*\*Note: The executive summary of the project will be revised by SCZONE for acceptance, modification or rejection according to validity and factuality of the data, the development plan and the approved Master Plan.*

# THE REGULATION AND CRITERIA FOR PROJECTS' ACCEPTANCE AT SCZONE

Post SCZONE's approval to projects from the end-user/investor

Establishment/registration of the project's company

The developer/the end-user is obliged to the following (in order):

1. Submit (3) originals of the contract between the developer and the end-user/investor for ratification.
  2. Submitting an environmental impact study for the project according to the environmental classification and obtaining approval for it from SCZONE.
  3. Obtaining the construction licenses within 3 months from the date of the approval, the company shall be also committed to start construction work within 6 months from the date of issuance of the construction licenses.
  4. Follow the planning/construction requirements of SCZONE.
  5. Obtaining the necessary licenses before the trial and actual operation of the project.
  6. In the event of changing/adding an activity, the company should get approval from SCZONE before the operation.
  7. The project's company shall be committed to the rules of import and export from and to SCZONE, whether outside or inside Egypt.
1. Abiding by SCZONE's regulations for establishing companies according to its legal form.
  2. Adhering to increase the paid-up capital of the company according to the regulating laws.
  3. Compliance with all rules/procedures of SCZONE with regard to the project/company.

THANK YOU

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