

Concerns and questions of EU economic operators in relation to the mandatory use of the Advance Cargo Information system

Concerns:

- 1) Exporters are required to pre-send shipment documents using only one single service provider (CargoX) over which the Egyptian government does not have a full control as the provider is registered in Slovenia. The exporting entities are not in the position to negotiate the supplier's service structure, billing and payments; supplier data security; system functionalities; issue management, etc. At the same time, there is no possibility anymore not to use this service, such as continuing to legalize the documents. Moreover, there are no means provided to handle confidential data.
- 2) Many of the steps that previously were the responsibility of forwarding companies are now shifted to the responsibility of exporters. Freight forwarders can be registered in the system – but only under the exporter VAT details and exporter e-mail domain - which only creates additional burden.
- 3) The registration is not free of charge. Companies need to purchase credits in crypto currency CargoX USD and pay ca. 15 USD for registration, 50 USD per shipment and 3 USD for each document attached. These fees are discriminatory against imported products as local goods destined for export do not need to use the NAFEZA/CargoX system.
- 4) Using the CargoX service requires pre-payment to upload system credits. Prepayment is against the finance policy of many companies and, if exceptionally used, requires guarantee processes to be set-up.
- 5) CargoX does not release terms&conditions of the service anywhere but in the registration phase, with all manuals being only available online. It is very difficult to track changes with no documents available in writing. Moreover, it seems quite clear from the frequent system and user manual updates that CargoX is struggling to put in place a process that would serve all the world sea freight exporters at once.
- 6) The functionalities of the service provider's platform are not connected to the electronic filing processes of the companies. The costs of establishing such connections are not justified, taking into account that they would only serve one export country.
- 7) The system does not allow a separation between the exporter different feeder factories as there is only one possible billing e-mail. CargoX system should have separate budgets or budget limits for users because different sectors of the business cannot financially use each other's budgets.
- 8) In order get a registration number (ACID), information and documents must be submitted no later than 48h before the shipment of the cargo. This makes it difficult for companies to provide certain data (e.g. total weight of the load) before the actual loading of goods. This time limit results also in higher storage costs and creates problems for certain goods, e.g. perishable fruits and products that, for safety reasons, have to remain in the ports for as short time as possible. Moreover, the final bill of lading (BL) is only received 2-3 days after vessel sailing. That means that a draft BL needs to be uploaded and then the final BL re-uploaded which creates additional burden and increases the costs.
- 9) The Nafeza portal does not offer the possibility to change the port of loading once the ACID number has been generated. Some companies export via different ports within one city and, due to the pandemic, the goods are shuffled between the ports based on containers availability and faster vessel schedules.

Questions:

- 10) Exporters are having challenges to obtain their 'e-tokens' needed for the registration. According to some companies, which tried to register in the Egyptian Nafeza portal, they cannot purchase e-tokens as commercial business companies, but only as physical persons. If they try to register as a company, they get a failure message in Arabic, so they cannot obtain the token and go to step two in the registration of the cargo. Registering as a person is not a feasible solution, since the invoices provided for the export are on the company's name. How can this issue be solved?
Exporters register on CargoX platform not Nafeza only Egyptian importer who register on Nafeza and obtain their 'e-tokens'
- 11) It remains unclear whether the first step of the registration procedure - obtaining the token via the Nafeza portal - is a 'one off' process and this token can then be reused by the exporter for future shipments, or if a new registration will be required per shipment with a new token every time?
Egyptian importer who register on Nafeza and obtain their 'e-tokens'
- 12) How exactly can the operators purchase credits and when are these credits used: at registration, when exporting to Egypt or when importing to Egypt?
Exporter who purchase credits when exporting to Egypt and able to send documents through CargoX
- 13) Some exporters make use of a proxy or customs representative. How does the registration work in these cases? Does the exporter register or is the registration conducted by the proxy on behalf of the exporter?
Exporter must register on CargoX platform
- 14) There are concerns as regards long archiving times, data sensitivity and the management of technical issues. Who is responsible if the system is down and the shipment needs to be sent urgently?
This issue already covered with disaster recovery if problems
- 15) Before the shipment departs for export towards Egypt, a pre-notification has to be made minimum 48 hours before the ship's departure. In the case of perishable fresh produce sometimes the ships are loaded only 24 hours (or less) in advance before sailing. How does the notification work in these cases? Do all documents (bill of lading & invoice) need to be included in the pre-notification? Are other documents needed for the pre-notification in cases of fresh produce (e.g. tests or phytosanitary certificates)?
If documents not ready before shipping date (like BL or any other certificates) exporters send documents via CargoX upon vessel departure
- 16) As with the export invoice, the packing list can only be issued after loading at the factory, on the goods actually loaded. Would it be possible to supplement the documentation after dispatch, in case the deficiencies or inaccuracies are duly reported?
Documents can send via CargoX upon vessel departure
- 17) What happens if the shipment data is corrected 1-2 days after the vessel has sailed off due to the fact that the exact products weights and quantities are known only after production has ended and shipment is loaded into containers? The loading usually happens same cut off day of the vessel so there will be a need to modify the ACID code 1-2 days after the vessel sailing date.
When electronic invoice sent by exporter via CargoX it will be with the correct data
- 18) What happens if a company is not able to upload the documents timely (i.e. it does it after the arrival of the vessel)?

Egyptian importer didn't able to start pre-clearance process

19) Is the exporter liable, in terms of costs and charges, for possible customs complications related to the rejection of the shipment at the port of arrival?

All this cases will be handled by customs law no. 207 for year 2020

20) If the ACID number has been approved for a certain quantity, is it possible to load/ship more than that quantity without updating the shipment data on Nafeza (based on the fact that importers are having problems updating information like quantity and value after ACID number has been generated)?

When electronic invoice sent by exporter via CargoX it will be with the correct data

21) Are signatures and stamps of exporters required on commercial invoices uploaded by exporters on CargoX?

NO

22) Could Egypt confirm that soft copies of the original documents sent via BlockChain platform are accepted without hard copies? - especially as BlockChain is a paid service and requesting hard copies of the original documents will double the cost and cancel the advantage of the electronic solution.

Yes

23) Can Egypt enable the upload of Excel sheets during the registration phase of new shipments on the Nafeza portal? Currently, only typing is possible which is time consuming for shipments with tens or hundreds of items.

We simplified entry screen able to obtain ACID with limited time

24) Could Egypt add search by supplier name in addition to search with VAT number?

The identification number in the search key

25) If goods are shipped from one of the EU Member States, but the invoice is issued by the office in another country – which invoice will be uploaded on CargoX?

the exporter who was named in the commercial invoice who will register on CargoX and who will send the invoice

26) Due to confidentiality reasons, names of some companies in Egypt cannot be shared on CargoX or Nafeza. Are there any exceptions for such confidential companies that have the goods cleared by "Tashhelaat"?

No exceptions in ACI system

27) What happens if a supplier refuses to register on CargoX as they do not wish to involve a third party?

Supplier must to register on CargoX as we will accept any paper documents

28) In case of any mistakes in the shipment data and the generated ACID number, what is the link between ACID and Nafeza-CargoX?

There is validation between Nafeza and CargoX to insure all data will receive correctly

29) What are the mandatory documents to be uploaded in CargoX? Do quality certificates and inspection certificates need to be included? Is it necessary to upload bank draft letters (bank-to-bank documents flow)?

The shipments set documents that exporter send to Egyptian importer (Commercial Invoice-Packing list-BL-COO-...any other certificates)

30) Many customers want to use GS1 codes and the companies only have unique product codes that identify the products they are selling. Can they use them and customers leave the GCP/GS1 field empty in Nafeza?

They can leave GS1 field empty, and they can use other unique product codes

31) Is there any possibility to upload all the required documents in one PDF file on CargoX portal?

No, each documents type must be uploaded separately

32) Is it enough to upload one copy of documents in CargoX portal or there is a necessity to upload all sets of documents (3 attested invoices, 3/3BL, etc.)?

It is enough to upload one copy of documents in CargoX

33) Who will arrange the documents in FOB/EXW/FCA warehouse incoterms?

Exporter must upload the commercial invoice, and we study now to use third party like freight forwarders to upload rest of documents

34) What are the exact responsibilities of the exporters, importers and shippers while using the ACI/Nafeza systems?

Exporters registered, stipulate ACID on all shipment documents and send documents via CargoX, Egyptian importers registered on Nafeza platform and obtain ACID. Shipping line to stipulate ACID on BL

35) Does the old system apply to cargo which leaves the exporting country in September but arrives in Egypt in October when the new ACI system should be operative?

This will be applying on shipment will shipped 1st of October 2021

36) Some companies have not been able to test the new procedure during the pilot phase. Taking into account the complexities of the system, the transitional period between April and June 2021 was way too short. Could the pilot phase be extended at least until the end of year 2021?

It postponed till 30th Sep, 2021