

BELIZE:

CUSTOMS (CARICOM PREFERENCE) REGULATIONS, 1999

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BELIZE:

STATUTORY INSTRUMENT

No. 123 of 1999

REGULATIONS made by the Minister of Budget Planning and Management in exercise of the powers conferred upon him by section 4 of the Customs and Excise Duties Act, Chapter 38 of the Laws of Belize, Revised Edition 1980-90, as read with section 8 of the Caribbean Community Act, Chapter 12 of the Laws of Belize, Revised Edition 1980-90, and all other powers thereunto him enabling.

(Gazetted 23rd October, 1999.)

1. These Regulations may be cited as the

Short title.

**CUSTOMS (CARICOM PREFERENCE)
REGULATIONS, 1999.**

2. These Regulations shall govern the determination required under paragraph 2 of the Customs Tariff (CARICOM) Resolution, 1981 as to whether goods have been consigned, produced or manufactured as mentioned in that paragraph; and, for the purposes thereof, goods shall not be treated as so consigned, produced or manufactured unless the Comptroller of Customs is satisfied that the appropriate requirements of these Regulations are fulfilled in relation thereto.

Application.

3. (1) Subject to the following provisions of these Regulations, good shall be treated as having been the produce of, or having been manufactured in, the CARICOM area if -

Goods to be treated as grown, produced or manufactured within CARICOM area.

First
Schedule.

- (a) they have been wholly produced within the CARICOM area; or
- (b) they have been produced within the CARICOM area wholly or partly from materials imported from outside CARICOM area or of undetermined origin by a process which effects a substantial transformation characterised:-
 - (i) by the goods being classified in a tariff heading different from that in which any of those materials are classified; or
 - (ii) in the case of the goods listed in Part A of the First Schedule to these Regulations (Schedule 11 to the Treaty), only by satisfying the conditions therefor specified in that Part.

First
Schedule.

(2) In the case of the goods listed in Part B of the First Schedule to these Regulations (Schedule 11 to the Treaty) the conditions to be complied with shall be as set out in that Part with effect from the dates appearing against the respective goods in *lieu* of the conditions applicable prior to those dates in respect of each of those goods.

(3) For the purpose of these Regulations and the Schedules, the following are treated as "wholly produced":-

- (a) mineral products extracted from the ground within the CARICOM area;
- (b) vegetable products harvested within the CARICOM area;
- (c) live animals born and raised within the CARICOM area;

- (d) products obtained within the CARICOM area from live animals;
- (e) products obtained by hunting or fishing conducted within the CARICOM area;
- (f) marine products taken from the sea by a vessel of a member State;
- (g) goods produced within the CARICOM area exclusively from one or both of the following:
 - (i) goods referred to in paragraphs (a) to (f) and (h) and (i) of this subregulation; and
 - (ii) goods containing no materials imported from outside CARICOM or of undetermined origin, or goods containing those materials but which would not be regarded as such under subregulation (4) of this Regulation;

and shall be taken to include--

- (h) used articles fit only for the recovery of materials provided that they have been collected from users within the CARICOM area; and
- (i) scrap and waste resulting from manufacturing operations within the CARICOM area.

(4) Where materials containing any element imported from outside CARICOM meet the conditions specified in this Regulation, those materials shall be regarded as containing no such element.

(5) Where in these Regulations, goods are required to be wholly produced, the use of small quantities of preservatives, vitamins, colouring and similar materials imported from outside the CARICOM area or of an undetermined origin shall not affect their eligibility for the CARICOM area treatment as wholly produced.

Re-importation.

4. Goods which undergo a process of repair, renovation or Improvement within the CARICOM area having been consigned for that purpose from Belize to a consignee in another member State of CARICOM shall, on their return to Belize, be treated for the purpose of re-importation only, in like manner as goods which are of CARICOM area origin, provided that the goods are reconsigned directly to Belize and the value of materials Imported from outside the CARICOM area or of undetermined origin which have been used in the process of repair, renovation or improvement does not exceed -

- (a) in the case where the goods have undergone the process of repair, renovation or improvement in a More Developed Country, sixty-five per cent of the cost of repair, renovation or improvement;
- (b) in the case where the goods have undergone the process of repair, renovation or improvement in a Less Developed Country, eighty per cent of the cost of repair, renovation or improvement.

Supply of regional materials.

5. (1) Where the manufacturer of goods for which the qualifying condition for CARICOM area origin is that of "wholly produced" or "produced from regional materials" is unable by reason of circumstances beyond his control to obtain supplies of the regional materials he shall so Inform the Minister.

(2) The Minister, after the receipt of information from a manufacturer pursuant to this Regulation, may make

investigations into the matter and, if satisfied that the representation from the manufacturer is justified, may inform the Secretary General and the competent authorities of other member States of:-

- (a) the inability of the manufacturer to obtain supplies of the regional materials from within the CARICOM area;
- (b) the quantities and precise specifications of the regional materials; and
- (c) the period during which the materials are required.

(3) Where the Minister receives a certificate from the Secretary General authorizing the use of extra-regional materials, the Minister may permit the manufacturer of goods to obtain supplies of materials from outside the CARICOM area subject to any conditions imposed by the Secretary General.

(4) In this Regulation, the competent authority of a member State means the Minister designated by that member State.

Ascertaining whether goods have undergone any operation or process in CARICOM area.

6. (1) For the purposes of Regulation 3 (1) (b) of these Regulations, in ascertaining whether goods have undergone any operation or process in the CARICOM area, no account shall be taken of any operation or process which consists only of one or more of the following, whether or not there is a change of tariff heading -

- (a) operations to ensure the preservation of goods during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solution, removal of damaged parts, and like operations);

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- (b) simple operations consisting of removal of dust, sifting or screening, sorting, grading, classifying, matching (including the making up of sets of articles), washing, painting and cutting up resulting in the mere reduction in size;
 - (c)
 - (i) change of packing;
 - (ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards and other simple packing operations;
 - (d) affixing marks, labels or other like distinguishing signs on goods or their packaging;
 - (e) simple mixing of materials imported from outside the Common Market of undetermined origin if the characteristics of the goods as a whole are not essentially different from the characteristics of the materials which have been mixed;
 - (f) operations which consist solely of welding, soldering, fastening, riveting, bolting and like operations or otherwise putting together of all finished parts or components to constitute a finished product.

(2) For the purpose of subregulation (1) (f) of this Regulation, the expression "finished parts or components" refers to those articles which are imported into the CARICOM area in a form or condition which does not require any further fabrication, change in shape or form, resulting in a change in identity or use, or the application of a permanent protective or decorative coating, for the purpose of incorporation in the finished product.

Additional matters in determining origin.

7. Energy, fuel, plant, machinery and tools used in the production, repair, renovation or improvement of goods within the CARICOM area and materials used in the maintenance of such plant, machinery and tools, shall be regarded as wholly produced within the CARICOM area when determining the origin of these goods.

Determination of value with respect to packing.

First Schedule.

8. (1) Packing of any sort shall be considered as forming a whole with the goods for the purposes only of the application of the percentage value-added conditions in the First Schedule.

(2) Packing required for the transportation or storage of goods shall be deemed to have been produced or manufactured in the CARICOM area.

Determination of value.

9. For the purpose of these Regulations:-

- (a) the value of any materials imported from outside the CARICOM area shall be the customs value accepted by the customs authorities in the member State of CARICOM in which they were used in a process of production, less the amount of any transport costs incurred in transit through other member States;
- (b) if the origin of any materials cannot be determined, such materials shall be deemed to have been imported from outside the CARICOM area;
- (c) the export price of the goods shall be the value accepted for this purpose by the customs authorities in the member State of CARICOM where the goods were produced. It shall be based *mutatis mutandis*, on the provision set out in paragraph (a), but shall not include the

amount of transport and insurance costs incurred after the exportation of the goods.

Consignment to Belize.

10. Goods shall be treated as consigned to Belize from a member State in CARICOM if they are shown to the satisfaction of the Comptroller to have been consigned to Belize from a place in the CARICOM area outside Belize.

Natural produce of the sea.

11. (1) In determining for the purpose of these Regulations, whether natural produce of the sea, or goods produced or manufactured therefrom at sea, are to be treated as produced or manufactured in a member State, anything done by or on board of a ship belonging to a country shall be treated as done in that country and any such produce of the sea or goods produced or manufactured therefrom at sea, if brought directly to Belize, are to be deemed to be consigned from that member State.

(2) For the purpose of this Regulation and Regulation 3 (3)(f) of these Regulations, a ship shall be treated as a vessel of a member State only if -

- (a) it is registered in a member State;
- (b) it carried a complement (inclusive of the Master thereof) of which not less than three-fourths are nationals of member States; and
- (c) it is majority owned and operated by -
 - (i) nationals of member States; or
 - (ii) a Government of a member State, or
 - (iii) a statutory corporation of a member State.

Formal
documentary
evidence.

12. All goods for which CARICOM area treatment is claimed under Regulation 2 of these Regulations shall be supported by the proper declaration and certificate in the form set out in the Second Schedule to these Regulations and by any further evidence as the Comptroller may require.

Second
Schedule.

Unit of
qualification.

13. (1) Each article in a consignment shall be considered separately.

(2) For the purposes of subregulation (1) of this Regulation:-

- (a) where the Harmonised Commodity Description and Coding System specifies that a group, set or assembly of articles is to be classified within a single heading, such a group, set or assembly shall be treated as one article;
- (b) tools, parts and accessories which are imported with an article, and the price of which is Included in that of the article or for which no separate charge is made shall be considered as forming a whole with the article, provided that they constitute the standard equipment customarily included on the sale of articles of that kind;
- (c) in cases not covered within paragraphs (a) and (b) above, goods shall be treated as a single article if they are so treated for assessing customs duties by the importing member State.

(3) An unassembled or disassembled article which is imported in more than one consignment because it is not feasible for transport or production reasons to import it in a single consignment shall, if the importer so requests, be treated as one article.

Segregation of materials.

14. (1) For those products or industries where it would be impracticable for the producer physically to segregate materials of similar character but different origin used in the production of goods, such segregation may be replaced by an appropriate accounting system, which ensures that no more goods received Common Market tariff treatment, than would have been the case, if the producer had been able physically to segregate the materials.

(2) Any such accounting system shall conform to such conditions as may be agreed upon by member States concerned in order to ensure that adequate control measures will be applied.

Treatment of repaired goods.

15. (1) For the purposes of these Regulations, goods shall be treated as having undergone a process of repair, renovation or improvement if the performance of such process within the Common Market does not result in a change of the form or character of the goods.

(2) The cost of repair, renovation or improvement shall refer to the cost of all materials which are used plus the costs involved in effecting the repair, renovation or improvement, excluding freight, other transport charges, insurance and other shipping costs.

Interpretation.

16. (1) In these Regulations, any reference to materials except in Regulation 3 (3) (*h*) includes a reference to any raw materials, Intermediate products, parts and components used in the process of production, repair, renovation or improvement of the goods.

CAP. 38.

(2) "Chapters" and "tariff headings" in these Regulations shall mean the Chapters and headings in the First Schedule to the Customs and Excise Duties Act.

First Schedule.

(3) The expressions appearing in the columns headed "conditions to be complied with" in Parts A and B of the First Schedule and set out below shall be applied in the following manner:-

- (a) "produced from regional materials of" - the materials falling within the tariff headings or Chapters named may be used only if they qualify to be treated as of CARICOM origin within the meaning of Regulation 3 of these Regulations. This does not preclude the use of regional materials in an earlier stage of production;
- (b) "produced from materials of" and "produced from"- the materials named or designated, as the case may be, must be used in the condition in which they are described. This does not preclude the use of the materials in an earlier stage of production;
- (c) "produced from materials not included in" the materials which fall in the tariff headings named may not be used if they are imported from outside the CARICOM area or are of undetermined origin;
- (d) "extra-regional materials" shall mean materials imported from outside the CARICOM area or of undetermined origin;
- (e) "chemical transformation" shall mean the forming of the molecule of the finished product by:-
 - (i) the combination of two or more elements; or
 - (ii) any modification of the structure of the molecule of a compound with the exception of ionisation and the addition or removal of water or crystallisation.

(4) The expression "More Developed Country" or "MDCs" in these Regulations shall refer to the following member States of CARICOM- Barbados, Guyana, Jamaica, Trinidad and Tobago, and Suriname.

(5) The expression "Less Developed Country" or "LDCs" in these Regulations shall refer to the following member States of CARICOM - Antigua and Barbuda, Belize, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

**Commencement
and repeals.**

17. (1) These Regulations shall come into force on the 18th day of October, 1999.

**S.I. 84 of
1993.**

(2) On the commencement of these Regulations, the Customs (CARICOM Preference) Regulations 1993 as amended, shall stand repealed.

16 of 1994.

48 of 1996.

123 of 1996.

MADE by the Minister of Budget Planning and Management this 14th day of October, 1999.

(RALPH FONSECA)
*Minister of Budget Planning
and Management*