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PRELIMINARY DRAFT  
 NATIONAL TRADE OPERATIONS AND PROCEDURE GUIDE  
 (ANTIGUA AND BARBUDA)



**UNITED NATIONS**  
 ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean

The preliminary version of the "National Trade Operations and Procedure Guide" is being distributed for comments and observations from the relevant authorities. A revised version of this Guide will be prepared once the observations regarding the contents of this preliminary version have been received.

DEADLINE: Comments should be received by this Office  
by 10 September 1983

## ANTIGUA AND BARBUDA

### 1. IMPORT REGIME

#### 1.1 Customs Duty Policy

Antigua is a Leeward Island member of the Organization of Eastern Caribbean States (OECS) and the CARICOM. As such it adheres to the Eastern Caribbean Common Market- ECCM and the CARICOM Common Market (See Annexes I and III). This member of the Commonwealth of Nations, independent since 1981 is also a signatory to the Convention of Lomé II (see Annex II).

Its tariff system is based on the Customs Co-operation Council Nomenclature (CCCN). During 1976 - in accordance with the obligations under the Lomé Convention - a single-tier tariff was introduced and is implemented, eliminating preferences and using a single tariff rate via-à-vis all third countries. There is also a separate tariff schedule for duties applicable to imports from CARICOM, subject to schedule IV of the Annex to the CARICOM treaty.

##### 1.1.1 IMPORT DUTIES

Generally speaking, most duty rates are ad valorem, on the c.i.f. value under 45 percent with a few luxury items, however, dutiable at rates as high as 70 percent. Also, a few items take specific duty rates, these being dutiable on a weight or volume basis. Since Antigua is a member of the Caribbean Common Markets, duties and other tariff regulations will continue to change in order to conform with this trading areas' CET.

During March 1974 a 3 percent surtax on the value of all goods except for a few food items was placed into effect. If payment for goods is done on foreign currency there is a one percent levy to be paid on the transaction.

By Act No.12 of 1977, a customs surcharge of 3 percent on the c.i.f. value was introduced on certain imported building materials and foodstuffs.

Consumption taxes in Antigua are ruled by the "Consumption Tax Act 1968 (No.12 of 1968) - which repealed the previous Act of 1963. Under this new Act, as amended in 1974 (by Government Notice No.2), a consumption tax is levied at the rate of 7, 12 or 20 percent ad valorem on all goods other than those specified in the second and third schedules to the notice which are subject to other taxes: goods on the second schedule are subject to a

specified monetary tax per Imperial gallon and goods on the third schedule in addition to the seven percent tax are subject to the specified monetary tax per volume (imperial gallon).

Generally speaking, equipment for the fishing industry and raw materials are usually exempted from the imposition of consumption tax if they are used to produce goods in Antigua upon which the tax will be levied in due course.

## 1.2 TRADE REQUIREMENTS

Nominal control of foreign exchange is in effect, exchange being bought and sold through authorized banks or dealers.

Trade with ECCM countries is made in EC Dollars with other CARICOM countries, it may be effected in the currency of the exporting member. Import from other countries may be paid in any currency in which the goods are satisfactorily invoiced. All foreign exchange transactions are subject to a levy of one percent.

Generally speaking, imports of live animals, plants, parts of plants and foodstuffs are to be accompanied by health certificates. Drugs and pharmaceuticals require prior approval. Perishable biological materials are prohibited to Antigua on the regular mail service.

### 1.2.1. IMPORT PERMIT OR LICENSE

Other than is provided for CARICOM or ECCM origin goods, Antigua and Barbuda prohibit all imports from South Africa. Most goods from other countries may be freely imported under open general licenses granted by the Ministry of Finance through the Commission of Inland Revenue. Certain commodities require individual licenses unless imported from CARICOM countries. Licenses are usually valid for six months, but goods must arrive by the end of the calendar year the license was issued. Payments for authorized imports are permitted upon application and submission of documentary evidence. Authority is given to commercial banks to endorse application forms for import licenses after confirming sight of documents.

### 1.2.2 INVOICES

#### (i) COMMERCIAL INVOICE

Till March 1982 Antigua had not implemented the use of the CARICOM commercial invoice (see Annex I, section 4), however, it should do so in due course. In the meantime the following is a minimum data required on invoices: Number and description of packages; marks and numbers of individual packages;

detailed description of goods; gross and net weights or quantities; f.o.b. and c.i.f. values; country of origin; place of shipment and destination of goods; and signature of exporter or shipper. Invoices should be made up at least in duplicate and sent separately from the goods.

(ii) CONSULAR INVOICES

Consular legalization is not required.

(iii) PRO-FORMA INVOICE

May be requested by importer to substantiate license application or as the first step in negotiating an import contract.

(iv) PACKING LIST

Provision of packing list will facilitate customs clearance and classification.

1.2.3 BILL OF LADING (or Airwaybill)

There are no special regulations concerning it. "To order" bills are permitted. The airwaybill replaces the Bill of Lading on air-cargo shipments.

A Bill of Lading customarily shows the name of shipper, the name and address of the consignee, port of destination, description of goods, the listing of the freight and other charges, number of Bills of Lading in full set, and the date and signature of the carrier's official acknowledging receipt on board of the goods for shipment. The information should correspond with that shown on the invoices and the packages.

The number of copies issued should be based on requirements of the importer and of the shipper (either maritime or air) used. IATA, ICAO and IMO rules and regulations may also require from the shipper the request of special documents concerning dangerous and restricted goods.

Mail and parcelpost shipments require postal documentation (customs declaration, Form 2966-A) inside the package in place of Bills of Lading or Airwaybill for shipments exceeding US\$120. In other cases a green customs label C1, Form 2976 "Authority for customs to open International Mail" must be completed and placed by the sender on the address side of each letter or package containing dutiable merchandize; each package of dutiable prints; and each small packet. Dutiable merchandize is permitted in the letter mails, subject to the maximum weight and size permitted.<sup>1/</sup> Insured parcels must and ordinary parcels may be sealed.

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<sup>1/</sup> Maximun weight is 22 lbs. Dimensions: greater length is 3ft.6in.; length and girth combined is 6ft.

#### 1.2.4 CERTIFICATES

##### - OF ORIGIN

Shipments of CARICOM origin should be covered by a certificate of origin (see Annex I, Section 1) to be given special common-market treatment. Intra OECS trade is ruled by the Eastern Caribbean Common Market (ECCM) agreement that has special provisions as to rules of origin (see Annex III).

In the case of other countries, no origin certificate is usually required for shipments from the US. If a separate certificate of origin is requested (or the commercial invoice does not contain origin information and the importer requires such a declaration) then the general form (as sold by commercial stationers) is usually acceptable. It should be issued in duplicate, at a minimum, although actual number of copies required shall be instructed by importer. It should contain information that conforms to data in other documents, should be signed by a responsible member of the exporting firm, and should be certified by a Chamber of Commerce (which will require an additional notarized file copy).

##### - OF INSURANCE

Normal commercial practices prevail. Importers and/or insurance company's instructions should be followed.

##### - SPECIAL CERTIFICATES

Special certificates may be required due to the nature of the goods being shipped or requested by the importer (bank/letter of credit clause/e.g. sanitary, veterinary, free sale, etc.), live animals, plants, part of plants, and foodstuffs require health certificates. Drugs and pharmaceuticals require prior approval.

Imports of all fruits (except bananas and plantains), canned, candied or otherwise processed, and all vegetables canned or otherwise processed is conditional to the provision of a Certificate of Origin. Such imports are prohibited from any other country, except from the U.S., the U.K., or other British West Indian States.

#### 1.2.5 TECHNICAL SPECIFICATIONS

For most industries, compliance with the U.S. or British Technical Standards is acceptable.

Electric current is A.C. 60-cycles, 110-volts in most hotels, 200-volts elsewhere.

For weights and measures, all CARICOM members are switching to the metric system (systeme Internationale); therefore these nations have currently a mixture of this and the Imperial (Avoirdupois) system.

#### 1.2.6 ADVERTISING MATERIAL

Books, printed, bound or unbound, not being account books, music, newspapers, pamphlets, periodicals, unframed photographs, almanacs, school globes, atlases, charts, maps, plans, trade catalogues and advertising circulars and posters of no commercial value, bank notes, used postage stamps and used post cards; but not including printed labels, printed forms and Christmas cards - are duty-free throughout the Leeward Islands of Anguilla, Antigua and Barbuda, St. Kitts/Nevis and Montserrat.

#### 1.2.7 LABELLING

In the case of labels with English wording which might be misleading as to the true origin of the goods, these should have a mark of origin, e.g. "made in (name of country)".

Exporters to Antigua should ascertain whether or not the country is currently adhering to the United Nations recommendations for the labelling and packaging of hazardous and/or restricted materials in a standardized manner and style.<sup>2/</sup>

#### 1.2.8 BRANDS AND TRADEMARKS

There are no special regulations concerning the use of brands or trademarks.

#### 1.2.9 PACKING

Except in the case of hazardous and/or restricted materials, where it should be ascertained whether Antigua is currently adhering to the United Nations recommendations on packing and marking (see footnote 2), there are no specific regulations.

According to sound shipping practices, the packages should bear the consignee's mark, including post mark, and they should be numbered unless the shipment is such that the contents can be readily identified without numbers, Net weight of contents may be specified, for customs purposes, when relevant.

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<sup>2/</sup> In 1965 the Intergovernmental Maritime Consultative Organization (IMCO, now IMO) adopted the International Dangerous Goods Code, which includes the United Nations labelling system. It is now adhered partially by more than 30 countries with respect to packing, labelling and documentation. If goods are going by air, IATA and/or ICAO regulations must be met for goods going by boat, the latest IMO requirements are usually made by the shipper.

### 1.3 FINES AND PENALTIES

Goods should be entered and cleared within six working or business days after their arrival in port or charges will be accrued. If the documents are not available, the Treasurer may, at his discretion, permit entry and clearance upon exacting a deposit, pending presentation of the documents within three months.

If the goods are not entered within six days, they may be transferred to a Queen's warehouse where most articles may remain for two years, awaiting entry, before they are subject to sale or auction.

### 1.4 SPECIMENS, SAMPLES

Samples of no commercial value are admitted duty-free. Other samples are subject to the same duties and regulations as commercial shipments of like goods. Samples of commercial value may be brought in by commercial travellers and will be admitted temporarily under deposit or bond to cover the amount of the import duties. The deposit (or bond) is returned upon reexportation of the items.

### 1.5 SHIPMENT RESTRICTIONS

Antigua prohibits all imports from South Africa.

### 1.6 DISTRIBUTION CHANNELS

There are some "duty-free" ships catering to the tourist trade.

### 1.7 AGENTS OR REPRESENTATIVES

Antigua requires commercial travellers to obtain an annual license. Fee is EC\$24. per annum.

## 2. EXPORT REGIME

### 2.1 EXPORT PROCEDURES

Any company or legal person in the country which makes export sales is payable in foreign currency subject to the currency exchange controls, which require the conversion of foreign currency into EC Dollars at a fixed rate.

For exports to members of the ECCM see Annex III, for exports to other members of CARICOM see Annex I, Section 2. For exports to the EECM subject to the second Lomé Convention, see Annex II, Section 3.



## 2.2 EXPORTS SUBJECT TO SPECIAL REQUIREMENTS

For exports of selected agricultural products, oils and fats and sugarcane to other members of the ECCM or the CARICOM Common Market, (See Annexes I and III). See also restrictions made under the second Lomé Convention (Annex II, Section 4) for trade with the EEC.

Exports of hazardous, dangerous or otherwise restricted goods may be subject to the International Dangerous Goods Code (See footnote 2).

## 2.3 EXPORT INCENTIVES

As members of the CARICOM and ACP countries the country provides those incentives applicable. (See Annexes I and II) under the industrial and investment promotion scheme.

As part of the harmonization of fiscal incentives of the Caribbean Common Markets, the main benefits which can be given to an exporter are exemption from income tax and relief from customs duties, over a stated number of years. The Common Market Agreement sets out the maximum benefits which can be given under the scheme by any signatory government in respect of an approved product, whether destined to the export market or not.

### 2.3.1. DIRECT INCENTIVES

#### 2.3.1.1 DIRECT TARIFF INCENTIVES

In general, the maximum number of years for which benefits may be granted varies with the percentage of local value added.<sup>3/</sup> For the award of benefits, enterprises are classified into three groups:

GROUP I. Enterprises whose local value added in respect of the approved products amounts to 50 percent or more of the value of the sales, ex-factory of the product(s);

GROUP II. Enterprises whose local value added in respect of the approved product(s) amounts to 25 percent or more, but less than 50 percent of the receipts from sales ex-factory; and

GROUP III. Enterprises whose local value added in respect of the approved product(s) amounts at least to 10 percent or more but less than 25 percent of the receipts from sales ex-factory.

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<sup>3/</sup> See Section 2(f) of Annex 1 for method to measure local value added contribution.

The following table shows the maximum number of years for which any LDC government in CARICOM may grant relief from income tax and customs duties:

Table 1  
MAXIMUM PERIOD OF TAX CONCESSION ELIGIBILITY

<u>Enterprise Groups</u>	<u>Maximum No. of Years</u>
I	15
II	12
III	10

The scheme permits highly capital-intensive projects irrespective of their local value added to be granted tax holidays and customs relief up to the maximum permissible. The qualification for such treatment is that the project must involve a capital investment of no less than EC\$25 million. Enterprises whose entire production of the approved product is sold to countries outside the Common Markets, referred to as enclave industries, have been made eligible for tax holidays and customs relief, without a reference to the quantity of their local value added. This is due mainly to their estimated large employment contribution.

The Common Market Agreements do not prohibit the granting of duty-free treatment of imports of raw materials to enclave enterprises after their tax holiday period has expired. It has been the general policy of all countries members of the ECCM and CARICOM to allow such enterprises this concession without limitations.

(a) DIVIDENDS TAX EXEMPTION

Approved enterprises are granted exemption of income tax in the profits of the approved product(s). Equally important is the provision that the dividends paid from such products to shareholders of such enterprises may also be exempt from tax as long as the shareholder is a resident of a CARICOM country.

A collective agreement exists between the MDCs and the LDCs to allow dividends earned in one MDC country to be transferred to an LDC to be exempt

from taxation in the recipient's country of residence. Where, however, the shareholder is not resident in a CARICOM country, dividends will not be totally exempt from tax, but only from such tax in excess of what the recipient would normally pay in his country of residence.

Interest is not exempt from tax in the hands of the recipient.

(b) COMPENSATORY TAXES

(i) CARRY FORWARD OF LOSSES

If an approved enterprise makes a net loss in the production of the approved product, taking the total tax holiday into account, the enterprise can carry forward such losses up to five years after the expiry of the tax holiday setting off against profits made later on the approved products.

The net loss on the approved product over the tax holiday period is calculated by summing up all losses made and subtracting all profits made in the period.

(c) EXPORT ALLOWANCES

Partial relief is granted to enterprises from the income tax chargeable on the profits earned from exports. This provision becomes operative after an enterprise's tax holiday period has expired.

The greater the share of an enterprise's profit which is derived from efforts (as against its intra-Common Market and domestic sales) of the product for which the export allowance is given, the greater the relief afforded.

The following table gives the extent of maximum relief in terms of credit on tax chargeable on the share of profits made from export sales outside the Common Market's area:

Table 2.

MAXIMUM EXPORT ALLOWANCES GRANTED

Share of profits from exports to third countries in total <sup>4/</sup> profits of approved product	Maximum income tax relief of tax chargeable on approved product (percent)
10 to less than 21 percent	25
21 to less than 41 percent	35
41 to less than 61 percent	45
61 percent or more	50

<sup>4/</sup> As a general rule the share of exports on total sales is taken as the share of profits made.

A country is not permitted to grant this relief to an enterprise in respect of a traditional export product of that country. This export allowance should normally be given only for products to be exported outside of the Common Market. This provision was designed to encourage enterprises to increase the share of export sales in their total sales and is intended in particular to promote the export of manufactures.

The agreement explicitly permits enterprises located in the LDCs to consider the sales of products to any CARICOM MDC (except Barbados) as an export for the purpose of granting export allowance, provided:

- the enterprise has been enjoying such benefits only for the first five years after the expiry of the tax holiday or customs rebate period.
- the enterprise has not been granted any tax holiday or customs duty rebate only for the first five years of the life of the harmonization agreement (effective since 1 February 1974).

#### 2.3.1.2 DIRECT CREDIT INCENTIVES

No specific credit incentives or export financing facilities exist.

#### 2.3.1.3. CERTIFICATES

Customs tariff preferential treatment of exports to ECCM and CARICOM members requires certification of origin (See Annex 1, Section 1(a) where specimen is provided).

The Lomé Convention also requires certification of origin for exports from ACP States into the EEC (See Annex 2, Section 5). Same is required by the United States under the Generalized System of Preferences (GSP):  
No tax refund certificate or tax compensation certificates are given.

#### 2.3.2 INDIRECT INCENTIVES

In addition to the depreciation allowance to which enterprises are normally entitled, there are other allowances given to approved enterprises on the expiry of the tax holiday.

##### (a) INITIAL ALLOWANCE

An initial allowance not exceeding 20 percent of any plant, equipment and machinery, capital expenditures, incurred after the tax holiday has expired, can be deducted.

##### (b) SPECIAL BONUS FOR USING LOCAL LABOUR

In order to encourage the greater use of local labour and to contribute to the relief of the serious unemployment, a tax holiday can be extended by increasing the measure of value added through a weight or bonus that measures the use of local labour (See Annex I, Section 2(f) for measure of this bonus).

2.3.3 FREE ZONES

Although no free ports or free trade zones exist, existing legislation for enclave industries provides such tax holidays comparable to conditions existing in a free zone.

3. MULTILATERAL AGREEMENTS AND INTEGRATION SCHEMES

3.1 Bilateral

Information is not available as to bilateral agreements signed by Antigua and Barbuda.

3.2 Multilateral

Antigua is a member of the Commonwealth of Nations and signatory of the second Lomé Convention (See Annex II). Antigua is also a contracting party to the GATT.

3.3 INTEGRATION SCHEMES

Antigua and Barbuda is part of the ECCM and signatory to the OECS Treaty (See Annex III), as well as member of the CARICOM since July 1974 (See Annex I).

4. AGENCIES AND INSTITUTIONS INVOLVED IN FOREIGN TRADE:

INDUSTRIAL DEVELOPMENT BOARD

Newgate Street,

St. John's.

MINISTRY OF ECONOMIC DEVELOPMENT, FOREIGN AFFAIRS, TOURISM AND ENERGY:

NATIONAL TRADE INFORMATION SERVICE

Independence Avenue

St. John's

CUSTOMS COMPTROLLER

Customs and Excise Department

St. Mary's Street

St. John's.

5. NATIONAL AND INTERNATIONAL FAIRS

None are organized by the Government of Antigua and Barbuda

6. CHAMBERS AND ASSOCIATIONS OF COMMERCE

ANTIGUA CHAMBER OF COMMERCE LTD.

St. Mary's Street

St. John's.