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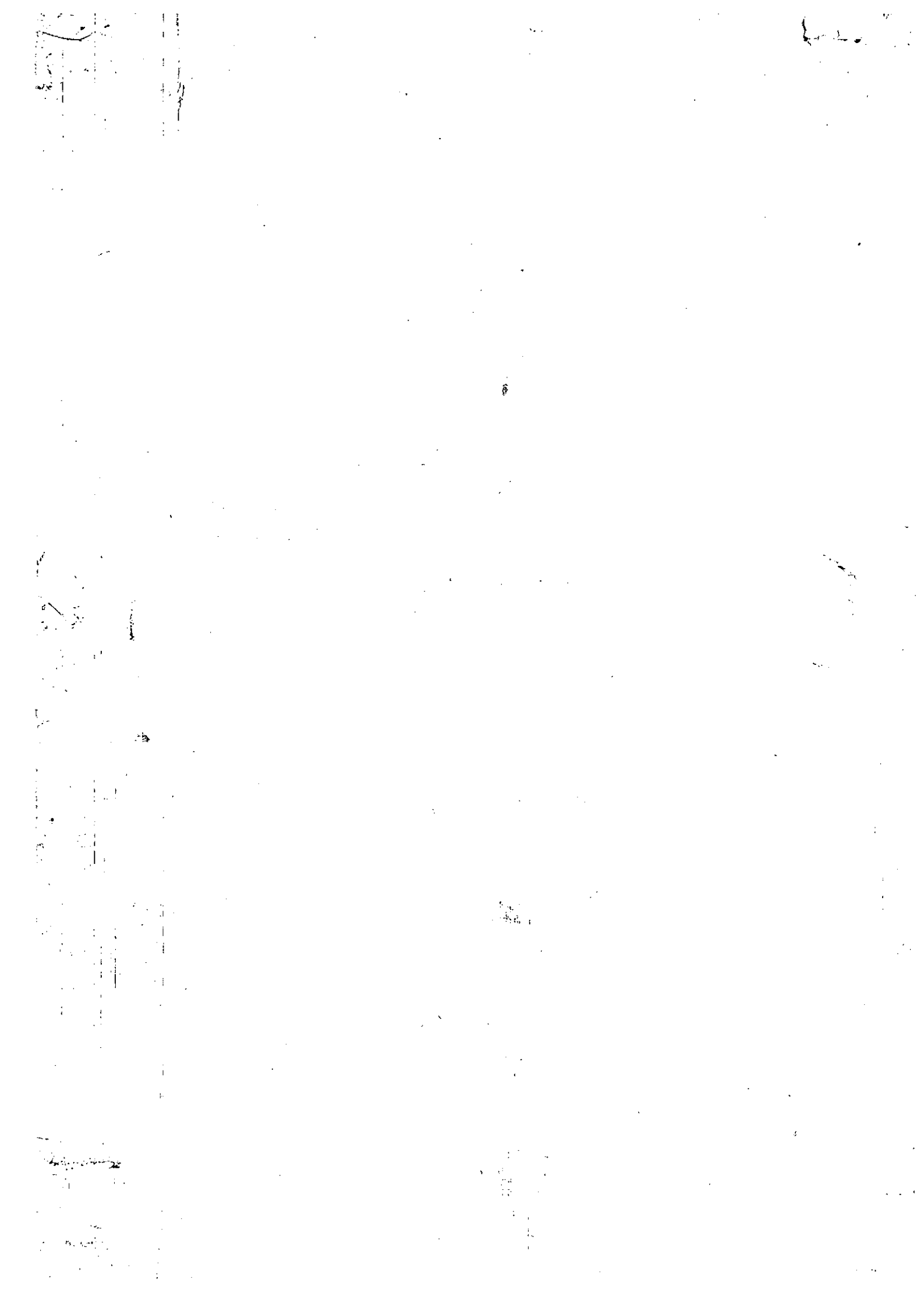


NATIONAL TRADE OPERATIONS AND PROCEDURE GUIDE  
 (SAINT LUCIA)



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean



NOTE

Approval was granted by the Ministry of Trade, Industry and Tourism for the publication of this document as the Official National Trade Operations and Procedures Guide for St. Lucia (as per letter of 15 December 1983).



## COMMENTS FROM SAINT LUCIA

### 1.1 Customs Duty Policy

Saint Lucia is a Windward Island member of the Organization of East Caribbean States (OECS) and the Caribbean Community and Common Market. As such it adheres to the Treaties of the Caribbean Community and the Organization of East Caribbean States.

Saint Lucia gained its independence from Britain on 22 February, 1979 and is an independent state within the British Commonwealth as well as a member of the United Nations. It is also a signatory to the Convention of Lomé II.

Saint Lucia in accordance with its obligations under the OECS Treaty provides for a common customs tariff. The classification structure of this tariff is based on the Customs Co-operation Council Nomenclature (CCCN), formerly called the Brussels Tariff Nomenclature (BTN). On 4 May 1977, a single tier tariff was introduced eliminating preferences and using a single tariff rate vis-à-vis all third countries.

The treaty permits member states of the OECS to apply special rates on certain items in lieu of the common rates set out in the tariff.

Saint Lucia has special rates of duty on spirits, lumber, jewelry and watches of a certain CIF value and motor vehicles.

Like the other CARICOM member states, Saint Lucia also applies a flat rate duty of 30 per cent on goods of a non-commercial nature imported in passengers baggage, parcel post or by air freight and of a value not exceeding EC\$200. Spirits, tobacco goods and jewelry are not included.

Saint Lucia and the other OECS states of the Caribbean Common Market apply import duties on the list of items appearing in Schedule III of the Annex of the CARICOM Treaty where these items originate from the more developed countries of the Common Market. Those duties should have been eliminated by 1 May 1993.

The Common Customs Tariff incorporates a list of items conditionally exempted from import duty.

1.1.1 Import Duties

The rates of duty applicable in Saint Lucia are either ad valorem or specific rates.

Approximately 90 per cent of dutiable imports are subject to ad valorem rates of duty, which range from 5 to 35 per cent, but in the case of bay rum and firearms, the rate is 70 per cent. Specific rates of duty are levied mainly on spirits and tobacco goods.

Certain classes of goods are duty free in the tariff and these include live animals, milk, fresh meat, fresh fish, eggs, fertilizers and most agricultural and industrial machinery. Other goods are exempt from import duty and these include the following:

- (a) Most imports from CARICOM countries.
- (b) Goods imported under Fiscal Incentives legislation.
- (c) Goods imported under the Hotels Aid Ordinance; and
- (d) The goods which appear in the list of conditional duty exemptions and reductions.

Imports into Saint Lucia are subject to a stamp duty on the bill of entry levied at a rate of 7 per cent except in the following cases:

- (a) Bills of entry for milk, milk products and baby foods - 5 per cent.
- (b) Bills of entry for fertilizers and chemicals for agricultural purposes -  $\frac{1}{5}$  of 1 per cent.

The Government of Saint Lucia, under the terms of Consumption Tax Act 1968 (No. 30 of 1968) has provided for the imposition of consumption taxes at various rates on certain goods whether such goods are imported or manufactured locally for home consumption. These goods include alcoholic beverages, tobacco goods, toilet articles, jewelry, phonograph records, gasoline and diesel, cement, motor vehicles, radio and television receivers, furniture and mattresses and yachts and other vessels for pleasure or sports.

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1.2. Trade Requirements

On 1 January 1976, the Saint Lucia authorities brought into force legislation restricting the importation of whiskey, rum and gin (SRO NO. 46 of 1976). Under this legislation, these spirits must be imported solely through agents or distributors and every agent/distributor must be registered with the Comptroller of Customs. In addition, these spirits may not be imported in bottles containing more than 40 liquid ounces and the name of the agent/distributor must be incorporated in the labels on the bottles.

1.2.1. Foreign Exchange Regulations

Exchange control is administered by the Ministry of Finance and applies to all currencies outside the Eastern Caribbean Currency Area. Payments for authorised imports are permitted upon application and submission of documentary evidence. Advance payments for imports require prior approval by the Ministry of Finance.

Settlements with residents of the CARICOM must be made either in the currency of the CARICOM country concerned or in East Caribbean Dollars. Settlements with residents of other countries may be made either in any foreign currency other than the East Caribbean dollar, or in EC dollars. When justified by the nature of the transaction, approval may be given to make payment for goods and services in a currency different from that of the country to which payment is to be made.

If payment for goods is done in foreign currency there is a 2 per cent levy on the transaction. This tax is collected by the commercial banks on behalf of the Ministry of Finance.

1.2.2. Import Permit or License

All imports from South Africa are prohibited. Import licenses are required for certain goods (e.g. fruits, vegetables and certain goods which are manufactured locally) and are issued by the Ministry of Trade. In addition, the following certificates may be necessary:

- (a) Phytosanitary certificates for imports of live plants and parts of plants.
- (b) Permits issued by the Ministry of Agriculture for live animals, meats and certain meat products.
- (c) Permits from the Police for firearms, ammunition and explosives.
- (d) Prior approval of the Ministry of Health for certain drugs and pharmaceuticals.



In cases where import licenses are required, they are usually valid for six months, in any event, the goods must arrive before the expiration of the license.

1.2.3. Invoices

(i) Commercial Invoice

The commercial invoice required for goods imported into Saint Lucia is the same as that required for goods imported into other CARICOM member states. That invoice is required to provide an agreed body of information and traders have been urged to use the layout key adopted by the United Nations Economic Commission for Europe (ECE). It is to be noted that the information required on commercial invoices is that shown in the ECE layout key with additionally - presenting bank, net weight, port of loading, country of final destination, ship/air/etc.

In addition, a certificate signed by an authorised person must be given on the invoice. The certificate is that recommended by the ECE. The commercial invoice is also used for intra-CARICOM trade.

(ii) Consular Invoice

Chamber of Commerce certification and consular legalization are not required.

(iii) Pro Forma Invoice

Is not necessary.

(iv) Packing List

Provision of packing list will facilitate customs examination and clearance.

1.2.4. Bill of Lading (or Airwaybill)

There are no special regulations concerning it. "To Order" bills are acceptable. The airway bill replaces the bill of lading on air cargo shipments.

A bill of lading customarily shows the name of shipper, the name and address of 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 be in correspondence with what is shown on the invoices and the packages.

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

Mail and parcel post shipments require postal documentation (CUSTOMS DECLARATION, Form 2966-A) inside the package in place of bill of lading or airwaybill for shipments exceeding US\$ 120.00. 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 merchandise; each package of dutiable prints; and each small packet.

Dutiable merchandise 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.

Packages containing used clothing and addressed to St. Lucia must be accompanied by a certificate of disinfection.

1/ Maximum weight is 22 lbs.; dimensions; greater length is 3 ft, 6 in.; length and girth combined is 6 ft,

1.2.5. Certificates

- Of Origin

Shipments of CARICOM origin should be covered by a certificate of origin to be given Common Market treatment. Intra OECS trade is governed by the OECS Treaty which has special provisions as to rules of origin. The CARICOM or OECS certificate of origin is not required for imports of a non-commercial nature and less than US\$100.00.

In the case of other countries, certificates of origin are not necessary.

- Of Insurance

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

- Special Certificates

In the case of parcels or packages posted for St. Lucia containing used clothing, a certificate of disinfection is needed. A statement from a dry cleaning company to the effects that the clothes have been cleaned will be considered satisfactory. However, it may not be dated more than seven days prior to the date of mailing. Senders must endorse the wrappers of these packages, "Certificate of Disinfection Enclosed".

1.2.6. Technical Specifications

For most industries, compliance with the U.S. or British technical standards is acceptable.

Electric current is A.C.50 cycles, 240/416 volts, 1,3 phases, 2,4 wires.

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.

1.2.7. Advertising material

Advertising material for gratuitous distribution is generally free of duty, whether sent as printed matter, parcel post or by express or freight.

Electrotypes, stereotypes, matrices, cliches, etc. are dutiable.

1.2.8. Labelling

Before entering St.Lucia, all importations of spirits (whisky, rum and gin) should have the name of the sole agent/distributor incorporated into the label affixed to each bottle in the following manner: "Sole Agent for St. Lucia (name of the same)".

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 St.Lucia should ascertain whether or not this country is currently adhering to the U.N.recommendations for the labelling and packing of hazardous and/or restricted materials in a standardized manner and style<sup>2/</sup>.

1.2.9. Brands or Trade marks

In the case of whiskey, rum and gin which is imported under a determined brand, each brand should register a sole agent or distributor for St.Lucia.

1.2.10. Packing

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

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

2/ In 1965 the Inter-Governmental Maritime Consultative Organization (IMCO, now IMO); adopted the International Dangerous Goods Code, which includes the U.N. 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 - Port and warehousing procedures

Goods may remain in a transit shed for seven clear days, after which they may be transferred to a Queen's warehouse, where they may remain for one month, awaiting clearance, before they are advertised for sale (for one additional month) and subsequently sold by auction.

If documents are not available for clearance of goods from the transit sheds, the Comptroller of Customs may accept a cash deposit which should be not less than one and one half times the approximate duties.

1.4. Specimens, Samples

Samples of no commercial value are generally admitted duty free. Samples of commercial value are dutiable at the same rates as commercial shipments. They may also be admitted temporarily free of duty upon payment of a cash deposit or issuance of bond in accordance with local regulations. The deposit (or bond) is usually returned upon re-exportation of the samples and/or specimens.

1.5. Shipment Restrictions

All imports from South Africa are prohibited in St. Lucia.

There is a list of goods under the Customs Act which are restricted or prohibited. A detailed listing may be obtained from the Comptroller of Customs.

1.6. Distribution Channels

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

1.7. Agents or Representatives

Commercial travellers or salesmen who wish to solicit orders in St. Lucia for goods manufactured or produced outside the CARICOM will have to obtain work permits. Prior to travelling to St. Lucia for such purpose a standard work permit form (price is approximately EC\$50) should be submitted to and approved by the Ministry of Labour. Forms are obtainable from the same Ministry. If approved, the work permit will cost EC\$ 150 per entry (SRO no.29/1983 of 30/4/1983). Additionally, visiting salesmen will be liable to pay the Commercial Travellers License

Fee, at a cost of EC\$ 120 per annum,

In the case of foreign contractors, all work permits issued by the authorities of St. Lucia to them will usually contain a clause requiring the foreign contractor to deposit, in cash or bond, a sum of no less than 10 per cent of the contract.

2. EXPORT REGIME

2.1. Export Procedures

Any company or legal person in the country which makes export sales payable in foreign currency, is subject to the currency exchange controls which require the compulsory surrender of foreign currency to the Central Bank.

For exports to members of the CARICOM, see annex I, section 2. For exports to the EEC, subject to the second Lomé Convention, see annex II, section 3.

2.2. Exports subject to special requirements

Exports of the Saint Lucian parrots (*Amazona Versicolor*) are forbidden. This prohibition also extends to other endangered species of animals, i.e. lizards and turtles. Originating products from these animals are also prohibited to be exported.

Exports licenses are required for certain goods, i.e. works of art,<sup>o</sup> antiques, pork and pork products, fruits and vegetables.

For exports of selected agricultural products, oils and fats, and cane sugar, to other members of CARICOM, see annex I. See also restrictions under the Second Lomé Convention (annex II, section 4) for trade with the EEC.

Exports of hazardous, dangerous or restricted goods may be subject to the International Dangerous Goods Code.

2.3. Export Incentives

As member of the CARICOM and ACP countries, incentives provided under these arrangements are applicable in this country, under the industrial and investment promotion scheme (See annexes I and II).

As part of the harmonization of the Caribbean Common Market, the main benefits which can be given to an exporter are exemptions 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 member signatory government in respect of an approved product, whether destined to the export market or not.

2.3.1. Export Incentives

In general, the maximum number of years for which benefits may be granted varies with the percentage of local value added (Section 2(f) of Annex I shows the method for measuring local value added contribution). 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;
- Group II.- Enterprises whose local value added in respect of the approved products 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 amounts to at least 10 percent or more but less than 25 percent of the receipts from sales ex factory.

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

TABLE 1

MAXIMUM PERIOD OF TAX CONCESSION ELIGIBILITY	
Enterprise Group	Maximum number of years
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 period table. The qualifications for such treatment are 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 CARICOM, 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 agreement does 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 member countries of CARICOM to allow such enterprises this concession without limitations.

(a) Dividends tax exemption

Approved enterprises are granted exemption of income tax on the profits of the approved products. Equally important is the provision that the dividends paid from such products to shareholders of such enterprises may also be exempted from tax as long as the shareholders are residents 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 tax:

(i) Carry forward of losses:

If an approved enterprise makes a net loss on the production of the approved product, taking the total holiday period into account, the enterprise can carry forward such losses up to five years after the expiry of the tax holiday, setting them 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 exports outside the CCM (sales to other CARICOM members/ <sup>except Barbados qualify for allowance</sup> of the product for which export allowance is given, the greater the relief afforded.

The following table gives the extent of maximum relief in terms of credit 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 profits of approved product 1/	Maximum income tax relief of tax chargeable on the approved product (%)
0 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

1/ 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. A tax 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 exports in their total sales and was intended in particular to promote the export of manufactures.

The export allowance will be awarded to authorized enterprises, provided that:

- 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 harmonisation agreement (effective since 1 February 1974),

#### 2.3.1.2. Direct Credit Incentive

No specific credit incentives on export financing facilities exist.

#### 2.3.1.3. Certificates

Customs tariff preferential treatment of exports to EECOM members requires certification of origin (see annex 1, section 1(a)) where specimen is provided.

The Rome Convention also requires certification of origin for exports from ACP states into the EEC (see annex 2, section 5) forms 1, required by the United States under the Generalized System of Preferences (GSP).

No tax refund certificates 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 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 expenditure, 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 1, section 2(f) for measure of this bonus).

2.3.3. Free Zones

An Act to provide for the establishment and maintenance of Customs Free Zones in Saint Lucia came into effect on 8 September 1982. Two industrial free zones are planned, one at Cul-de-Sac and the other within the vicinity of Hewanorra Airport.

3. MULTILATERAL AGREEMENTS AND INTEGRATION SCHEMES

3.1. Bilateral

Information is not available as to bilateral agreements signed by St. Lucia

3.2. Multilateral

St. Lucia is<sup>a</sup> member of the Commonwealth of Nations and signatory of the second Lomé Convention (See annex II). St. Lucia has a de facto application of the GATT.

3.3. Integration Schemes

St. Lucia is part of the ECCM and signatory of the OECS Treaty (See annex III), as well as member of the CARICOM since April 1974 (See annex I).

4. AGENCIES AND INSTITUTIONS INVOLVED IN FOREIGN TRADE

a. MINISTRY OF FINANCE, PLANNING AND STATISTICS

- Exchange Control Division
  - Customs and Excise Department
- Castries  
SAINT LUCIA

b. MINISTRY OF TRADE, INDUSTRY AND TOURISM

Floissac Building  
Brazil Street  
Castries  
SAINT LUCIA

c. NATIONAL DEVELOPMENT CORPORATION

Nonplaisir Building  
Brazil Street  
Castries  
SAINT LUCIA

d. SAINT LUCIA BANANA GROWERS ASSOCIATION

Manoel Street  
Castries  
SAINT LUCIA

e. SAINT LUCIA COCONUT GROWERS ASSOCIATION  
Mangoel Street  
Castries  
SAINT LUCIA

f. SAINT LUCIA AGRICULTURISTS ASSOCIATION  
Castries  
SAINT LUCIA

g. SAINT LUCIA MARKETING BOARD  
The Conway  
Castries  
SAINT LUCIA

5. NATIONAL AND INTERNATIONAL FAIRS

None are organized by the Government of St. Lucia

5. CHAMBERS AND ASSOCIATIONS OF COMMERCE

ST. LUCIA CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE

Bridge Street

Castries

ST. LUCIA MANUFACTURERS ASSOCIATION

ST. LUCIA SMALL BUSINESS ASSOCIATION

