ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE

TRADE PROCEDURE GUIDE (PART XVIII)

SAINT LUCIA
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1. IMPORT REGIME

1.1. Customs Duty Policy

Saint Lucia is a signatory to the Caribbean Common Market (CARICOM) and the Organization of East Caribbean States (OECS) Treaties (see Parts I and III of this document). Saint Lucia is an independent state within the British Commonwealth and 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 third countries.

The CARICOM 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 specific 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 percent 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 members of the Caribbean Common Market apply import duties on the list of items appearing in Schedule III of the Annex to 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 1983.

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

Certain classes of goods are duty free and 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 percent except in the following cases:

(a) Bills of entry for milk, milk products and baby foods - 5 percent.
(b) Bills of entry for fertilizers and chemicals for agricultural purposes - 1/5 of 1 percent.

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.

1.2. Trade Requirements

On 1 January 1976, the authorities of Saint Lucia 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 authorized 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 CARICOM countries 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 in any foreign currency other than the East Caribbean dollar. When justified by the nature of the transaction, approval may be given to make payment for goods and services in a currency other than that of the country to which payment is to be made.

If payment for goods is done in foreign currency there is a 2 percent 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 Licence

All imports from South Africa are prohibited. Import licences 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 licences are required, they are usually valid for six months, in any event, the goods must arrive before the expiration of the licence.
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; in addition it should include presenting bank, net weight, port of loading, country of final destination, ship/air/etc.

In addition, a certificate signed by an authorized 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 Air Waybill)**  
There are no special regulations "To Order" bills are acceptable. The air waybill 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 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 to what appears 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 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 air waybill for shipments exceeding US$120.00. In other cases a green customs label Cl, 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 package.

Dutiable merchandise is permitted in letter mail, subject to the maximum weight and size permitted\(^1/\). Insured parcels must and ordinary parcels may be sealed.

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

1.2.5. **Certificates**

- **Of Origin**

Shipments of CARICOM origin should be covered by a certificate of origin to be given special Common Market treatment. Intra-OECS trade is governed by the ECCM Agreement 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 to Saint 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 indicate on the wrappers of these packages, "Certificate of Disinfection Enclosed".

\(^1/\) Maximum weight is 22 lbs.; dimensions; greater length is 3 ft. 6 in.; length and girth combined is 6 ft.
1.2.6. **Technical Specifications**

For most industries, compliance with the United States 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 (Système International); these nations therefore have a mixture of the Metric System and the Imperial 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 Saint 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 Saint 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 Saint Lucia should ascertain whether or not this country is currently adhering to the United Nations recommendations for the labelling and packing of hazardous and/or restricted materials in a standardized manner and style.\(^2\)

1.2.9. **Brands or Trade Marks**

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

\(^2\) In 1965 the Inter-Governmental Maritime Consultative Organization (IMCO, now IMO), adopted the International Dangerous Goods Code, which includes the United Nations labelling system. It is now adhered to 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 met by the shipper.
1.2.10. Packing

Except in the case of hazardous and/or restricted materials, where it should be ascertained whether Saint Lucia is currently adhering to the United Nations 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.

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 Saint 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

In addition to the normal chain of distributors 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 Saint Lucia for goods manufactured or produced outside the CARICOM area will have to obtain work permits. Prior to travelling to Saint 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). In addition, visiting salesmen will be liable to pay the Commercial Travellers Licence fee, at a cost of EC$120 per annum.

In the case of foreign contractors, all work permits issued by the authorities of Saint 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 percent 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 CARICOM member countries see Part I, section 2 of this document. For exports to the EEC, subject to the Second Lomé Convention, see Part II, section 3 of this document.

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, including products originating from these animals.

Export licences are required for certain goods, i.e. works of art, 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 Part I of this document. See also restrictions under the Second Lomé Convention (Part 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

The schemes of incentives under both the CARICOM Treaty and the Lomé Convention are applicable in Saint Lucia. (See Parts I and II of this document).

Under the Caribbean Common Market Treaty, 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. This Treaty 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 for the export market or not.

2.3.1. Export Incentives

In general, the maximum number of years for which benefits may be granted under the CARICOM Treaty varies with the percentage of local value added (Section 3 of Part I of this document 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 products 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 Saint Lucia and any other CARICOM LDC may grant relief from income tax and customs duties.

<table>
<thead>
<tr>
<th>Enterprise Group</th>
<th>Maximum number of years</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>15</td>
</tr>
<tr>
<td>II</td>
<td>12</td>
</tr>
<tr>
<td>III</td>
<td>10</td>
</tr>
</tbody>
</table>
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 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 region, 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 concession is granted on the basis of the estimated large employment contribution.

The Caribbean Common Market Agreement does not prohibit the granting of duty free treatment of imports of raw materials to enclave enterprises after the 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

Under the CARICOM Treaty approved enterprises are granted exemption from income tax on profits earned from the production of the approved products. There is also the provision that dividends paid 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 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 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 ECCM (sales to other CARICOM members except Barbados) qualify for allowance 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 on tax chargeable on the share of profits made from export sales outside the Common Market's area.

Table 2
Maximum Export Allowances Granted

<table>
<thead>
<tr>
<th>Share of profits from exports to third countries in total profits of approved product 1/</th>
<th>Maximum income tax relief of tax chargeable on the approved product (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 to less than 21 percent</td>
<td>25</td>
</tr>
<tr>
<td>21 to less than 41 percent</td>
<td>35</td>
</tr>
<tr>
<td>41 to less than 61 percent</td>
<td>45</td>
</tr>
<tr>
<td>61 percent or more</td>
<td>50</td>
</tr>
</tbody>
</table>

1/ As a general rule, the share of exports on total sales is taken as the share of profits made.

This relief is not granted to an enterprise in respect of a traditional export product of Saint Lucia. The provision was designed to encourage local enterprises to increase the share of export sales in their total sales and is intended in particular to promote the export of manufactures.

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

i. the enterprise has been enjoying such benefits only for the first five years after the expiry of the tax holiday or customs rebate period.
ii. 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 1 February 1974).

2.3.1.2. Direct Credit Incentives
No specific credit incentives on export financing facilities exist.

2.3.1.3. Certificates
Customs tariff preferential treatment of exports to CARICOM members requires certification of origin (see Part I, Section 1(a) of this document) where a specimen is provided.

The Lomé Convention also requires certification of origin for exports from ACP states into the EEC (see Part II, Section 5). Such certification is also required by the United States under the Generalized System of Preferences (GSP).

No tax refund certificate or tax compensation certificate is 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 capital expenditure for plant, equipment and machinery, 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 unemployment, a weighting device related to the use of local labour is used to increase the length of the tax holiday to which the enterprise may become eligible. The device inflates local value added by wages paid to local labour.
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. AGREEMENTS AND INTEGRATION SCHEMES

3.1. Bilateral

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

3.2. Multilateral

Saint Lucia is a member of the Commonwealth of Nations and signatory to the Second Lomé Convention (See Part II of this document). Saint Lucia has a de facto application of the GATT.

3.3. Integration Schemes

Saint Lucia is part of the ECCM and signatory of the OECS Treaty, as well as member of the CARICOM since April 1974.

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
   Monplaisir Building
   Brazil Street
   Castries
   SAINT LUCIA

d. SAINT LUCIA BANANA GROWERS ASSOCIATION
   Manoel Street
   Castries
   SAINT LUCIA
5. NATIONAL AND INTERNATIONAL FAIRS
None are organized by the Government of Saint Lucia.

6. CHAMBERS AND ASSOCIATIONS OF COMMERCE

a. SAINT LUCIA CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE
   Bridge Street
   Castries
   SAINT LUCIA

b. SAINT LUCIA MANUFACTURES ASSOCIATION
   Castries
   SAINT LUCIA

c. SAINT LUCIA SMALL BUSINESS ASSOCIATION
   Castries
   SAINT LUCIA