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Committee on Import Licensing Original: French

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES[1]

Notification under Article 7.3 of the Agreement on Import Licensing Procedures

CENTRAL AFRICAN REPUBLIC

The following communication, dated 23 November 2010, is being circulated at the request of the delegation of the Central African Republic.

Outline of system

1. In general, the Central African Republic has abolished most of its quantitative import restrictions, except on imports of sugar, pharmaceuticals and petroleum products, which have been subject to special regulations that affect all imports of products into Central African territory since 1986.

- In the case of sugar, on 9 September 2003, the Government signed a protocol of agreement with SUCAF-RCA, the SUCAF company under private law, on privatization of SOGESCA, a former sugar mill. A regulatory body has been set up to monitor the market in the sugar subsector. SUCAF-RCA has a monopoly of 90 per cent of sugar imports, with the remaining 10 per cent being allocated to other importers which put in applications.

- Import of pharmaceuticals into the Central African Republic is subject to registration formalities. All imports of pharmaceuticals, medical and surgical consumables and all other pharmacological items into Central African territory require prior declaration to the Directorate of Pharmaceutical Services, Laboratories and Traditional Medicine (SPLMT).

- Import of petroleum products is subject to approval given in the form of a decree by the Council of Ministers following a report from the Minister responsible for energy, chair of the interministerial commission.

Purpose and coverage of licensing

2. Imports of sugar: an import/export permit issued by the Minister responsible for trade must be obtained; an import decision duly signed by the Ministers responsible for trade and for finance must be given before the import declaration itself can be made.

[1] See document G/LIC/3, Annex, for the questionnaire.

Import of medicines: a prior declaration must be made to the SPLMT Directorate. This enables the SPLMT's Director to issue a receipt for the declaration, which is attached to the customs documentation and to the commercial import declaration (DIC).

3. These different systems apply to the products mentioned above coming from all countries without exception. The customs regime applies depending on the country in question.

4. In the case of sugar, the purpose of the licensing regime is to limit the volume to be imported solely in order to protect the domestic industry. Import is therefore only allowed in order to make up the shortfall in production and to meet local consumption needs, which amount to 35,000 tonnes annually.

The purpose of the regulations on pharmaceuticals is to protect the population's health and also to eliminate illegal imports by unauthorized persons and/or entities which compete forcefully with the official structures in place.

5. The following are the basic texts regulating the sugar subsector, pharmaceuticals and products downstream in the Central African Republic:

Sugar

- Ordinance 83.069 of 10 November 1983 containing regulations on foodstuffs in the Central African Republic;

- Ordinance 83.83 of 31 December 1983 regulating trading activities and the supply of services in the Central African Republic;

- Order No. 031 of 31 March 2008 creating the regulatory body for the sugar market in the Central African Republic;

- Protocol of agreement of 4 September 2008 between the Central African State and SUCAF Centrafrique on the extension of protection;

- Decision No. 0027 of 20 April 2009 containing the rules of procedure for the regulatory body for the sugar market in the Central African Republic.

Pharmaceuticals

- Ordinance 83.083 of 31 December 1983 regulating trading activities and the supply of services in the Central African Republic;

- Decree No. 94.196 of 4 June 1994 regulating the import of pharmaceuticals into the Central African Republic;

- Order No. 005 of 17 January 1995 on requirements for obtaining permits to import pharmaceuticals into the Central African Republic;

- Order No. 272 of 15 October 1994 setting up a multidisciplinary technical commission for pharmaceuticals in the Central African Republic;

- Interministerial Order No. 040 of 17 May 2010 on declaration of the import of pharmaceuticals, medical and surgical consumables and other items that are the monopoly of pharmacists in the Central African Republic.

Petroleum products

- Law No. 07.005 of 24 April 2007 on reorganization of the downstream petroleum subsector in the Central African Republic;

- Decree No. 08.005 of 8 January 2008 determining the implementing regulations for certain provisions of Law No. 07.005 of 24 April 2007 on reorganization of the downstream petroleum subsector in the Central African Republic;

- Decree No. 07.271 amending and supplementing the provisions in Decree No. 06.391 of 29 December 2006 determining the methodology for fixing the price of petroleum products in the Central African Republic.

Staple goods

- Subject to approval, with prices fixed by an interministerial committee.

Procedures

6.I Information on the allocation of import quotas for sugar and formalities for filing requests for authorization can be found in the Order creating the regulatory body for the sugar market (ORMS), which has been published.

The Central African Republic has recently set up an Internet site. Work is going on to make the information available to importers. In the meantime, importers seeking information can contact the Ministry responsible for trade, which can provide them with copies of the texts.

An importer wishing to request an exception to or waiver from licensing requirements must write officially to the Ministries responsible for trade and for finance, and this is also published.

For other products, there are no quantitative restrictions and enterprises request the volume to be imported according to supply and demand, while complying with the buffer stock margin.

II. According to the provisions in the protocol of agreement on sugar, domestic consumption of sugar is 35,000 tonnes annually.

SUCAF only produces 11,000 tonnes, the shortfall is therefore 24,000 tonnes; applications are made by importers quarterly. After they have been received, the ORMS meets and automatically allocates 90 per cent of the shortfall to SUCAF-RCA, i.e. 21,600 tonnes. The remaining 2,400 tonnes are allocated to other importers in accordance with their needs.

III. With the exception of sugar, pharmaceuticals and petroleum products, no other products are subject to licensing. Import licensing and other similar practices are applicable to both national and foreign importers provided that they comply with the authorities' regulations.

Decisions on imports granted to importers by the competent authorities take effect as of the date of their signature and are registered and transmitted as necessary.

After receiving the decision, an importer has to complete a DIC and obtain an inspection certificate from the Veritas Bureau (BIVAC) to enable the authorities to verify whether the goods have actually been imported. Each week, the ORSM, together with the services in the Ministries responsible for trade (Competition Directorate) and for finance (Customs

Directorate), monitors the actual import of the volumes authorized. If an importer is unable to import the goods within the time limit, he will not be given any import quota, even if he applies for one. The decision is *ad personam* and non-transferable and it lapses automatically four months after having been signed.

An import decision may also be extended if the importer can prove a case of *force majeure* within a reasonable period before expiry of the decision's validity.

IV. Licence applications are submitted quarterly to the ORMS, which receives the import applications sent to the Minister responsible for trade, duly annotated.

In the case of petroleum products, importers' requirements for the purpose of supplying the domestic market for a period of one year are centralized from 1 to 31 January each year by the ARSRP, which deals with all the bids for supplying the market.

V. A reply to all applications to import sugar submitted in accordance with the requirements must be given within thirty (30) days of filing the application. For petroleum products, the interministerial commission has a maximum period of thirty (30) days to carry out enquiries before taking a decision on the application. Moreover, the authorities have a maximum period of sixty (60) days in which to issue the approval requested.

VI. Three (3) months for sugar.

VII In the case of sugar, the ORSM is composed of the trade, customs and taxation services and a representative of the importers. All these services verify that the importer has complied with their regulations before giving a technical opinion to enable the two Ministers (Trade and Finance) to sign the decision. Applications are sent directly to the Minister of Trade, chair of the ORSM.

- Applications for approval in the energy sector are sent to the Minister responsible for energy, which transmits them to the interministerial approval commission for consideration. The latter is composed of representatives of the energy department, the ASRP, the General Storage Company, the Ministry of National Defence, the Ministry of the Interior, the Ministry of Trade, the Ministry of Finance and Budget, and the Ministry of the Environment. All these technical services ensure that the importer meets all the requirements before giving a technical opinion to enable the Minister responsible for energy, Chair of the Commission, to introduce a draft decree granting approval in the Council of Ministers.

- A multidisciplinary technical commission for pharmaceuticals (CTPPP) has been set up with responsibility for considering applications for permits to import pharmaceuticals into the Central African Republic. Its chair may give the Minister of Health and Population a substantiated opinion for or against the application. The commission is composed of representatives of pharmaceutical and medicines services, health and environmental services, hospitals, medicines policies and regulations bodies, surgical, gastroenterological, paediatrics, opthamological, gynaecological and obstetrical, and internal medicine services, private pharmacists, private veterinarians and a toxicologist from the Science and Health Faculty.

VIII. Importers in general (new or existing) are aware that they have to file their next application at the end of the quarter. The ORSM does not make any distinction between new and existing importers. If they all meet the requirements, the ORSM gives them all an authorization in light of the remaining volume and according to needs. The same applies to other products.

IX. All traders, without exception, must complete a DIC for all import/export transactions in the Central African Republic. This is the method used by the Government to securitize customs revenue, on the one hand, and to keep trade statistics, on the other.

X. The export licensing regime was abolished in the Central African Republic in 1986. Exporters therefore only have to submit a DIC before exporting their goods. The importing country must verify the export permit from the BIVAC, authorized for this purpose. The BIVAC then issues the DIC, which is countersigned by the Ministry responsible for trade in order to allow the importer to import the goods.

XI. Such a provision does not yet exist in the Central African Republic.

7.(a) According to the texts in effect, counterfeit goods and the means used to import them into the Central African Republic are automatically seized.

(b) See the replies to section IX.

(c)-(d) The replies to all these questions can be found in section VII.

8. In principle, for all petroleum products downstream, approval may be suspended or withdrawn if there is a serious or repeated violation of legal, regulatory or contractual obligations. Decisions on suspension or withdrawal are taken thirty (30) days after the person concerned has been notified of the complaint against him and has been given formal notice to consult the file and submit written justification. The decision on suspension or withdrawal must be substantiated. Suspension is notified in an order from the Minister responsible for energy, following a report from the interministerial approval commission.

After the enterprise has been notified, it may utilize all the appeal procedures provided in the texts in force.

Renewal of approval requires regularization and/or payment, where applicable, of the fines and compensation laid down in the texts in force.

Any laboratory whose application for an import permit has been rejected may file a new application after a period of two (2) years.

An import permit may be renewed every five (5) years. The application for renewal is sent to the Minister of Public Health and Population in two (2) copies comprising:

- A letter applying for renewal addressed to the Minister of Health;

- a marketing authorization (AMN) from the country of origin;

- a retail sale certificate (AVC) for the country of origin for imported goods;

- the price and cost of daily treatment.

Eligibility of importers to apply for licence

9. For all applications to import sugar, the importer must meet the following requirements:

- Be in possession of ministerial approval and a trader's card;

- have the status of importer and prove annual turnover of not less than CFAF fifty (50) million, as well as proper book-keeping practices;

- prove compliance with the Finance Law for the current year;

- have imported the quotas previously allocated within the time limits;

- be domiciled with a bank;

- prove payment of administrative costs.

Any candidate for one of the activities in the downstream petroleum subsector in the Central African Republic must meet the following requirements:

- Be a natural or legal person under Central African law;

- have its registered office in the Central African Republic;

- provide proof that it is not bankrupt;

- according to its level of activity, provide a guarantee to cover its commitments to the State, whose threshold is determined in a joint order from the Ministers responsible for energy, for trade, and for finance;

- Provide proof of adequate professional experience on the part of the director and the technical and financial managers;

- present an investment programme that contributes towards achieving the objectives of the national energy policy during the period of validity of the approval.

There is no registration system. All import transactions for such products require submission of the decisions allowing the operators to engage in such transactions.

The list of those authorized is automatically published, thereby informing other economic operators.

Documentation and other requirements for applications for licence

10. There is no sample form for import applications for sugar, but the application must show the company's logo, its contact numbers (its full address), the reasons for applying for the quota and the volume requested, together with the signature and stamp of the firm's director. All the documents listed above under paragraph 9 and point (a) must also be attached to the application.

In the case of pharmaceuticals, applications for registration must be accompanied by an authentic copy of the AMN of the exporting country and the receipt for the cost of registration formalities issued by the Directorate of Pharmacies and Medicines.

11.

- The DIC;

- The pro forma invoice of the supplier and the administrative fees payable to the Veritas Bureau (BIVAC), given responsibility for this purpose by the State, together with a copy of the decision authorizing the importer to import the goods in question.

12-19. No reply has been given.