

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES¹

Notification under Article 7.3 of the Agreement
on Import Licensing Procedures

CROATIA

The following communication, dated 1 October 2012, is being circulated at the request of the delegation of Croatia.

Outline of system

1. As a rule, imports to the Republic of Croatia are free with the exception of those imports specified in the national legislation (products affecting public security and order, health, environment and cultural heritage). Products subject to import licensing are specified in the tariff headings and are imported under prior authorisation issued by the competent ministry or authorised body. The licensing system is legally regulated by:

- the Trade Act, Article 49 (OG No. 87 on 25 July 2008) and its amendments (OG No. 116 on 11 October 2008, No. 76 on 1 July 2009 and No. 114 on 7 October 2011);
- the Regulation Specifying Goods Subject to Export and Import Licences (OG No. 77 on 19 June 2010) and its amendments (OG No. 146 on 16 December 2011 and No. 25 on 28 February 2012);
- the Regulation concerning trade in certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment (OG No. 142 on 9 December) and its amendments (OG No. 51 on 4 May 2012);
- the new Regulation on Military List and Non-Military Lethal Goods List (OG No. 89 on 2 August 2012).

The new changes on import licensing procedures are related to the following:

- with the Amendments on Regulation Specifying Goods Subject to Export and Import Licences (OG No. 25 on 28 February 2012) the licensing regime doesn't apply anymore to imports of radio equipment and telecommunications terminal equipment;
- with the new Regulation on Military List and Non-Military Lethal Goods List (OG No. 89 on 2 August 2012) Appendix IV-Military List and Appendix V –Non-Military Lethal Goods List have been abolished within the Regulation Specifying Goods Subject to Export and Import

¹ See document G/LIC/3, Annex, for the Questionnaire.

Licences. New Military List is completely harmonized with the Common Military List of the European Union OJ 2012/C 85/01.

Import licensing for agricultural products and foodstuffs is regulated by the Act on Organisation of Agricultural Markets, Article 26, published in the "Official Gazette" No. 149 of 15 December 2009 (amendments of published in the "Official Gazette" No. 22 on 18 February 2011), by the Ordinance on the allocation of tariff quotas for agricultural products and foodstuffs published in "Official Gazette" No. 121 of 28 October 2010 (amendments of published in the "Official Gazette" No. 145 on 15 December 2011) and by the Ordinance on import and export licences for agricultural products published in "Official Gazette" No. 74 of 16 June 2010 (amendments of published in "Official Gazette" No. 106 of 8 September 2010, "Official Gazette" No. 148 of 20 December 2011 and "Official Gazette" No. 101 of 6 September 2012).

Purposes and coverage of licensing

2. Licences are issued to comply with international agreements, for national security purposes, protection of life and health of humans, animals and plants, the environment and of exhaustible natural resources of the Republic of Croatia, as well as to protect the public morals, import control of pieces of art and particular precious metals.

Import licences are compulsory for tanks, war vessels, military arms, revolvers, pistols, guns, parts and equipment for arms, ammunition, swords and sabres, nuclear reactors, radioactive materials, isotopes, derivatives, hydrocarbons, mint postage stamps, gold, coins.

The licences are issued by the Ministry of Economy which is also the licensing authority for the import of substances depleting the ozone layer (Montreal Convention) and for import of chemicals listed in the Chemical Weapons Convention (CWC) Schedules.

Drugs and medical products, glands and other organs, vaccines, drugs, pharmaceutical goods, dialysis appliances, and narcotics are subject to licences issued by the Ministry of Health or by the Agency for Medicinal Products and Medical Devices; imports of veterinary drugs and vaccines are licensed by the Ministry of Agriculture.

Imports of rough diamonds into the customs territory of the Republic of Croatia is legally prohibited except if it is accompanied by the Kimberley Process Certificate issued by the competent body of the exporting country. The certificates for the import of rough diamonds are verified by the Customs Authorities of the Republic of Croatia.

The approval of imports of certain goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment is issued by the new State Office for Trade Policy. State Office for Trade Policy was established on the basis of the Act on the Organisation and Competence of the Ministries and other Central Government Administration Bodies (OG 150/2011 of 22 December 2011).

Licences for imports of armaments and military equipment for Croatian Army and Croatian Police are issued by the Ministry of Defence and the Ministry of the Interior, respectively.

Licences for the import of radioactive goods are issued by the State Office for Radiological and Nuclear Security. Licences for import of nuclear materials are issued by Ministry of Economy with prior consent from the State Office for Radiological and Nuclear Security.

3. The licensing regime applies equally to imports from all countries.

4. The licensing system is not intended to restrict the quantity or value of imports but to protect national security, health, environment and cultural heritage and to fulfil the Republic of Croatia's commitments undertaken by the international agreements.

5. Import licensing system is regulated by the Trade Act, Article 49, published in the "Official Gazette" No. 87 on 25 July 2008 and the Amendments of Trade Act published in the "Official Gazette" No. 116 on 11 October 2008, No. 76 on 1 July 2009 and No. 114 on 7 October 2011. Import licensing is also regulated by the Act on Organisation of Agricultural Markets, Article 26, published in the "Official Gazette" No. 149 of 15 December 2009 and the amendments of the Act on Organisation of Agricultural Markets published in the "Official Gazette" No. 22 on 18 February 2011.

The system of licensing can be abolished or changed by the Government without changing the Trade Act.

Procedures

6. With regard to the agricultural products there are no products prescribed to be imported under restriction as to the quantity or value of imports.

(i) *Licences for goods subject to tariff quotas*

Agricultural products are not prescribed to be imported under restriction as to the quantity or value of imports.

Nevertheless, there is a licensing system applied to certain agricultural products in order to administer imports under tariff quotas, whose purpose is to fulfil commitments undertaken by Croatia regarding preferential or free trade agreements. In these cases the governmental body responsible for issuing licenses for certain agricultural products is the Paying Agency for Agriculture, Fisheries and Rural Development. This system applies to specified agricultural products originating in the countries with which Croatia concluded preferential or free trade agreements. Those agricultural products that are intended to be imported within tariff quotas are subject to import licensing.

The executive branch can abolish abovementioned system without legislative approval.

(ii) *Import licenses for agricultural products*

In Croatia, licenses are needed for import of certain agricultural products but the licensing regime is not intended to restrict the quantity or value of imports. The purpose of licenses is to ensure the administrative monitoring of imports of agricultural products.

The governmental body which is responsible for issuing of import licenses is the Paying Agency for Agriculture, Fisheries and Rural Development.

The licensing regime applies equally to imports from all countries.

The executive branch can abolish this system without legislative approval.

(iii) *General Procedures*

Licences for import under Regulation Specifying Goods Subject to Export and Import are issued by the competent ministries and authorised state bodies upon written application of the importer.

Exceptionally, if the application for issuing import licences falls under specific regulations then it is submitted according to specific regulation as set forth in the Regulation Specifying Goods Subject to Export and Import Licences.

The competent ministries i.e. other competent government administration bodies shall issue the licence not later than within 15 days from the date of the duly submitted application if not specifically regulated. The exceptions are licences issued for certain agricultural products which are issued within 30 days from the date of the duly submitted application.

7. When there is no quantitative limit on importation or no limit on importation from a particular country:

- (a) There is no fixed time-limit for submitting an application before importation;
- (b) A license cannot be granted immediately upon request. Prior review of the application is required; the licenses are issued within 30 days from the date on which the complete application was submitted;
- (c) There are no limitations as to the period of the year during which applications can be made;
- (d) Import licences are issued only by one administrative body and it is the Paying Agency for Agriculture, Fisheries and Rural Development. The importer does not have to approach more than one administrative organ.

8. For non-agricultural products applications could only be rejected if the importer did not fulfil the conditions stipulated in international conventions for specific goods or did not meet standard criteria for the transportation of certain goods.

Import licenses for certain agricultural products shall be issued by the Paying Agency for Agriculture, Fisheries and Rural Development according to particular request submitted by an applicant in 30 days following the receipt of a valid application. If the Paying Agency finds out in the administrative control that a particular request is incomplete or ineligible, the applicant shall be given a possibility to complete the application within 7 days from the date on which the initial application was submitted. An importer denied an import license could submit a complaint if a licence application is refused.

Eligibility of importers to apply for licence

9. All persons, firms and institutions are eligible to apply for licences.

Documentation and other requirements for application for a licence

10. The application for import of certain products has to provide the following information:

1. Title and seat of the company, i.e. title and residence of natural person;
2. Company ID number, i.e. personal identity number for natural persons;
3. Title and seat of the end user with written Statement of End-Use for Goods;
4. Commercial description, quantity and value of the imported goods respectively;
5. Chemical description, structural formula and concentration for chemicals referred to in Annex III of Regulation;
6. Classification of nuclear material, nuclear content by weight, chemical and physical characteristics; radioactivity (Bq/kg);

7. CN Code;
8. Unit price;
9. Country of production;
10. Title and address of producer;
11. Exporting country;
12. Title and address of the exporting company and, importing company;
13. Import deadline.

For import licenses of products under tariff quotas as well as import licenses for certain agricultural products the application for import has to provide the following information:

- Company name and full address or name and full address of person;
- Company code;
- Quantity of importing products;
- Tariff number and tariff code;
- Import country.

The importer is also required to supply other documentation depending on the products imported (weapons, munitions) such as end-user statement, contract and the material safety data sheet.

For import under tariff quotas or import of certain agricultural products, the importer is also required to supply other documentation such as evidence of the registration in the relevant registry (copy of the Decision of the registration in the Trade Court Register; Crafts register or copy of identity card), certificate of income for the year preceding the year of application, original specimen of the certificate on fulfilment of financial obligations towards the state budget.

11. Upon actual importation the importer has to present to the customs authorities invoice, transport documents, specifications, customs declaration, certification of origin and import licence.

12. For non-agricultural products an administrative fee of HRK 125.00 is charged for each import licence. As regards import within tariff quota there is no administrative charge, and for import licences of certain agricultural products, a certain amount of security must be lodged, the amount of which shall be determined depending on the quantity and type of products for which the application is being made.

13. There is no deposit or advance payment requirement regarding the issuance of licence except in case of import licenses for certain agricultural products. At the time of submitting the application for an import license for certain agricultural products the importers must pay the security the amount of which shall be determined depending on the quantity and type of products for which the application is being made. In cases where the total amount of the security per application for an import licence comes to HRK 730.00 or less, the applicant shall not be required to lodge a security. The Paying Agency will reimburse the security payment provided that the importer has submitted the documents proving the level of fulfilment of the obligations under the import licence.

Conditions of licensing

14. For non-agricultural products in most cases the import licence is valid for six months during which it has been granted. The validity of a licence could be extended upon request of the licence holder except for weapons and narcotics.

In case of import licences for certain agricultural products the validity of a licence depends on the type of product for which the licence is issued. The validity of a licence cannot be extended. In the case agricultural products under the tariff quotas the validity of import licences is until the end of a calendar year in which they are issued.

15. There are no penalties for the non-utilization of a licence or a portion of a licence. The exception is import licences for certain agricultural products where the penalty for non-utilization of the license, or its partial utilisation is full or partial retention of the security deposit lodged at the time of application.

16. Licences are not transferable to other importers.

17. There are no other conditions related to the issuance of a licence.

Other procedural requirements

18. No other administrative procedures are required.

19. The foreign exchange issues are not applicable to import licensing.
