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Committee on Import Licensing

Original: Spanish

## REPLIES TO THE QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES<sup>1</sup>

### NOTIFICATION UNDER ARTICLE 7.3 OF THE AGREEMENT ON IMPORT LICENSING PROCEDURES (2016)

EL SALVADOR

The following communication, dated 22 April 2016, is being circulated at the request of the delegation of El Salvador.

#### Outline of systems

1. In conformity with its commitments under the Uruguay Round Agreement on Agriculture, El Salvador has established tariff quotas for certain agricultural commodities. These quotas are allocated through an import licensing system, which takes the form of a public auction held by the El Salvador Commodity and Service Exchange (BOLPROS). Quota allocation certificates are delivered and subsequently presented by the bearer to the Ministry of the Economy upon application for a licence to import under the preferential tariff quota, in accordance with the Regulations on the Opening and Administration of Quotas.

#### Purposes and coverage of licensing

2. The administrative provisions under which licensing is maintained in El Salvador are the Regulations on the Opening and Administration of Quotas of 28 October 1999, enacted by Executive Decree No. 46, published in Official Journal No. 203, Vol. No. 345, of 29 October 1999. Amendments to the Regulations were made by Decree No. 16 of 15 March 2000, published in Official Journal No. 73, Vol. No. 347, of 12 April 2000; Decree No. 97 of 16 November 2000, published in Official Journal No. 223, Vol. No. 349, of 28 November 2000; Decree No. 15 of 29 January 2004, published in Official Journal No. 22, Vol. No. 362, of 3 February 2004; and Decree No. 23 of 21 April 2005, published in Official Journal No. 83, Vol. No. 367, of 4 May 2005. These Regulations govern the allocation and administration of the volumes of imports under the tariff quotas granted by El Salvador in accordance with its multilateral commitments under the World Trade Organization (WTO).

The products eligible for quotas accorded by El Salvador in the WTO framework are detailed in Schedule LXXXV – El Salvador (*Part I – Most-Favoured-Nation Tariff, Section I – Agricultural Products, Section I-B – Tariff Quotas*). However, the only products for which quotas have been established from the year 2000 to date are those listed below:

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

Description of products	Tariff item number(s)
1	2
CHEESE AND CURD	0406
- Other cheese	0406.90
- - Cheddar, in blocks or in bars	0406.90.20

3. The preferential tariffs applied to import quotas in the WTO framework are accorded to products originating in any WTO Member.

4. Non-automatic licences are not intended to restrict the quantity or value of imports, rather to administer the products under World Trade Organization (WTO) minimum access commitments.

The purpose of the mechanism for the administration of import quotas is to ensure strict compliance with El Salvador's international obligations as well as full enjoyment of the rights secured as a result of the Uruguay Round of Multilateral Trade Negotiations. This is done by establishing clear and efficient rules to ensure that maximum use is made of the quotas, on the basis of the principles of transparency and non-discrimination.

5. The administrative provisions under which the licensing is maintained are the Regulations on the Opening and Administration of Quotas of 28 October 1999, enacted by Executive Decree No. 46, published in Official Journal No. 203, Vol. No. 345, of 29 October 1999. Amendments to the Regulations were made by Decree No. 16 of 15 March 2000, published in Official Journal No. 73, Vol. No. 347, of 12 April 2000; Decree No. 97 of 16 November 2000, published in Official Journal No. 223, Vol. No. 349, of 28 November 2000; Decree No. 15 of 29 January 2004, published in Official Journal No. 22, Vol. No. 362, of 3 February 2004; and Decree No. 23 of 21 April 2005, published in Official Journal No. 83, Vol. No. 367, of 4 May 2005.

Licensing is statutorily required in order to import under the preferential tariff of 0%.

The products that require licences are those subject to import tariff quotas accorded by El Salvador in accordance with its multilateral commitments under the WTO.

The Executive is empowered to amend the import licensing procedure without legislative approval.

### Procedures

6. With regard to the products under restriction:

I. Import quotas established in accordance with WTO commitments are allocated and distributed in accordance with the Regulations on the Opening and Administration of Quotas. The Ministry of the Economy publishes information concerning the quotas and the formalities for filing licence applications in the Official Journal and submits a copy of the decision to the El Salvador Commodity and Service Exchange (BOLPROS). Once the Exchange receives a copy of the corresponding decision, it sets the date on which it will open trading for interested parties, which must be within 30 days of the date of publication of the decision. It is required to make this information public no less than ten working days prior to the date in question.

The only conditions acceptable for the award of licences are those prescribed in the Regulations.

There are no exceptions to, or derogations from, the regulatory procedure.

II. The quotas are determined on a yearly basis.

The total quota volume is allocated by means of import licences that are valid for ninety (90) days as of their date of issue. Licence validity may be extended at the request of the importer, provided that it does not go beyond the annual import quota period. Importers may submit a licence application on any working day of the year, provided that the annual

quota has been made available to interested parties pursuant to the corresponding executive decision. As a general rule, importers submit licence applications in accordance with their import schedules.

- III. The system of import tariff quotas is open to all parties interested in participating that fulfil the relevant prerequisites under the Regulations. There is no preference whatsoever in respect of any type of product for domestic producers of like goods. Tariff quota portions that remain unused following the expiry of the period of validity of the licences initially issued in connection with that tariff quota are reallocated in time to enable importation before the end of the year concerned.

Quota allocations that are unused by importers may not be accumulated for use in a succeeding year. (The products are those indicated in paragraph 2.)

- IV. Licence applications may be submitted immediately as of the date on which the Exchange announces the opening of quotas. Importers may apply for licences on any working day of the year, provided that the annual quota has been made available to interested parties pursuant to the corresponding executive decision and the Exchange has consequently announced the opening of the quota.
- V. Licence applications are processed within 10 working days following the date of receipt of the application.
- VI. Import licences are valid for a period of three (3) months, during which the imports must be made.
- VII. The consideration of licence applications is effected by a single administrative organ.
- VIII. Licences are issued on a first-come, first-served basis; there is a maximum amount to be allocated per applicant; new importers may participate provided that they meet the established statutory requirements; and finally, applications examined on receipt.
- IX. In the case of bilateral quotas, the implementation procedure is contingent upon the special conditions negotiated in the various trade agreements.
- X. No export permits are required.
- XI. Licences are not issued on condition that goods should be exported and not sold in the domestic market.
7. Not applicable, given that the Regulations in question apply only to WTO quotas.
8. An application for a licence may be refused if it is incomplete, is submitted in an untimely fashion or contains serious errors such as those laid out in the Regulations, namely:

- failure to identify the applicant or to describe the economic activity involved;
- failure to provide a detailed description of the import quota in which the applicant wishes to participate;
- failure to describe the product or state the corresponding tariff heading;
- failure to indicate the import volume being requested for each tariff heading.

Applicants are informed in writing of the reasons for any refusal and have the right of appeal before the authority that refused to issue a licence, in accordance with internal administrative procedures.

### **Eligibility of importers to apply for a licence**

9. The system of import tariff quotas is open to all parties interested in participating that fulfil the relevant prerequisites under the Regulations.

### **Documentational and other requirements for application for a licence**

10. A sample application form is available for consultation on the website of the Ministry of the Economy. The importer is required to supply the following information with the application:

- (a) name, address and tax identification number of the importer;
- (b) description and tariff classification of the product;
- (c) tentative import date and authorized in-quota import volume.

The quota allocation certificate, issued by the El Salvador Agricultural Commodity Exchange, must be supplied with the application.

The relevant documentation is available on the Ministry of the Economy website, at:

<http://www.minec.gob.sv/descargas/formato-de-solicitud-de-licencia-contingentes>

11. Upon actual importation, the importer must present the approved import licence to the relevant customs authority during the clearance of the product, along with the standard import documents required at customs under Salvadoran customs legislation.

12. No licensing fees or administrative charges are levied by the government.

13. There is no deposit or advance payment requirement associated with the issue of licences.

### **Licensing conditions**

14. Each licence is valid for three months from the date of issue. The quota volumes are available for that period only and may not be extended.

15. There is no penalty for the non-utilization of a licence or a portion of a licence.

16. Licences are personal in nature and may not be endorsed, assigned or transferred in any other way between importers.

17. There are no other conditions attached to the issue of import licences.

### **Other procedural requirements**

18. There are no prior administrative formalities apart from the import licensing procedure described in the above replies and any sanitary and phytosanitary requirements.

19. Not applicable. The currency in circulation in El Salvador is the United States dollar.

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