REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

BURUNDI

Questions 1-4

There is only one licensing system in Burundi. Under it, imports are liberalized with the exception of prohibited products such as narcotic drugs or imports subject to prior authorization by another department, for example fire-arms and ammunition. Certain products however, generally of a luxury character, are subject to a prior deposit system while imports are prohibited from countries which are the subject of restrictive measures imposed by the country or by the United Nations; this is the case in particular for Southern Rhodesia, South Africa, Portugal ...

The licensing system is not intended to restrict the quantity or value of imports, but is in the interest of foreign exchange administration and price policy.

Question 5

The legal basis for the licensing system is a general legislative order on exchange control and external trade control, empowering the central bank to supervise all incoming or outgoing movements of goods and assets. On the basis of this legislative order, regulations are issued by the central bank in the form of "Communications".

Question 6

Not applicable for Burundi.

Question 7

(a) Application for a licence must be made before the goods are despatched, and before the importer enters into any commitment vis-à-vis a foreign source. In exceptional cases a licence can be obtained for goods already at the frontier.

(b) A licence can be granted immediately on request, if all the requisite conditions are met.

(c) Licence applications and imports may be made throughout the year.
(d) Licence applications are examined by one single authority which is the central bank; the applications, duly signed by the importers, are submitted to the central bank by approved banks. In certain cases the approved banks are empowered by the central bank to issue certain licences.

Question 8

Any licence application in compliance with the regulations is granted, because the system is a liberal one.

Question 9

Application for a licence may be made only by approved importers. For this, a deposit in the amount of FBu 300,000 (i.e. $3,429) must be made with the central bank by way of surety. The Ministry of Economy publishes a list of approved importers each year.

Question 10

The information required in applications is that shown in the sample form I which is attached, duly completed. The following documents must be supplied with the application:

1. The supplier's pro forma invoice, indicating the nature of the goods, quantity, net weight and gross weight, and the f.o.b. value of the goods at port of embarkation or despatch point in the supplying country;
2. the pro forma invoice of the carrier and/or forwarding agent, in respect of transport costs;
3. the insurer's pro forma invoice, in respect of insurance costs.

Question 11

The following documents are required upon actual importation: the final invoices of the supplier, shipper or forwarding agent and insurer; as well as the transport documents.

Question 12

A licensing fee is charged in the amount of FBu 25 per licence (US$0.2857).

Question 13

In respect of most products no prior deposit requirement is associated with the issue of an import licence. For certain products however, generally those of a luxury character, a deposit of 100 per cent must be made prior to import. Only the government and the official authorities are exempted from this deposit
requirement. The deposit is released only at the time of settlement in foreign exchange, either in the form of a direct transfer to the supplier after the goods have been cleared for consumption, or upon payment of a bill drawn on the importer and accompanied by invoices and transport documents made out to the order of the bank concerned, or upon the establishment for the benefit of the foreign correspondent of a documentary credit with forward cover, or lastly upon the utilization by the foreign correspondent of a documentary credit without forward cover lodged with him. The purpose of this requirement is to limit imports of luxury products that would immobilize a substantial part of the foreign exchange available.

Question 14

The period of validity of a licence is eight months. In the case of goods consigned from a country in the African continent, this period is reduced to six months. The validity of a licence can be extended, but this is the exception; if at the time of applying for a licence, the applicant thinks that he will be unable to import within the normal time-limit, he must request in writing a longer period of validity, giving the reasons. Extensions can be granted only if the goods are already en route and provided written proof of embarkation is shown, on condition that the goods are embarked not less than two months before the expiry date of the licence.

Question 15

In the event of non-utilization of a licence or a portion of a licence, no penalties are applied, but this fact must be notified and the remaining foreign exchange must revert to the national bank.

Question 16

Licences are not transferable.

Question 17

The conditions for issue have been described above; there are no others.

Question 18

No.
Question 19

Foreign exchange is automatically provided by the central bank because the issue of a licence implies that import is authorized and that foreign exchange equivalent to the value of the imported products is made available.

The Government of Burundi submitted a model licensing application form, which may be consulted at the secretariat by interested delegations.