CENTRAL AMERICAN FREE TRADE AREA

Second Protocol to the Central American Agreement on the Equalization of Import Duties and Charges

The secretariat has received from the Government of Nicaragua the text of the Second Protocol to the Central American Agreement on the Equalization of Import Duties and Charges, which is annexed hereto. This protocol, which was signed by the Governments of Guatemala, El Salvador, Honduras and Nicaragua on 13 December 1960, aims at an acceleration of the equalization of the duties and charges of the four countries as established in the Equalization Agreement. (The Agreement and the First Protocol were reproduced in document L/1302/Add.1.)

The two lists of items, the duties on which are to be equalized (Annexes A and B to the Protocol), have also been received by the secretariat ("La Gaceta", 8 June 1961) and can be consulted at the secretariat offices.
PROTOCOL TO THE CENTRAL AMERICAN AGREEMENT
ON THE EQUALIZATION OF IMPORT DUTIES AND CHARGES

The Governments of the Republics of Guatemala, El Salvador, Honduras and Nicaragua, in pursuance of the obligations set forth in Article I of the Central American Agreement on the Equalization of Import Duties and Charges signed at San José, Costa Rica, on 1 September 1959, and in Articles II and IV of the General Treaty on Central American Economic Integration signed at Managua on the same date;

BEING CONVINCED that the achievement of free trade and tariff equalization must be simultaneous processes with a view to establishing as soon as possible conditions suitable for the expansion and diversification of Central American industry and eliminating artificial differences in production costs as between the signatory States.

HAVE RESOLVED to draw up the present Protocol and for this purpose have designated as their respective plenipotentiaries:

By His Excellency the President of the Republic of Guatemala

Mr. Julio Prado García Salas,
Minister for Co-ordination and Economic Integration, and

Mr. Alberto Fuentes Mohr,
Head of the Department of Economic Integration,

By the Cabinet of the Republic of El Salvador

Mr. Gabriel Pilóma Araujo,
Minister of Economic Affairs, and

Mr. Abelardo Torres,
Under-Secretary for Economic Affairs,

By His Excellency the President of the Republic of Honduras

Mr. Jorge Bueso Arias,
Minister of Economic and Financial Affairs,

By His Excellency the President of the Republic of Nicaragua

Mr. Juan José Lugo Marenco,
Minister for Economic Affairs.

who, having communicated their full powers, found to be in good and due form, have agreed as follows:
Article I

The Central American States agree, in accordance with Article IX of the Central American Agreement on the Equalization of Import Duties and Charges, to expand by means of the present Protocol Schedules A and B appended to the said Agreement.

Article II

The Contracting Parties shall adopt immediately the duties and tariff denominations set forth in Schedule A appended to this Protocol.

Article III

In accordance with the interim system of progressive tariff equalization established by Article XIV of the Central American Agreement on the Equalization of Import Duties and Charges, the Contracting Parties agree to adopt with respect to the products included in Schedule B appended to this Protocol the uniform duties and charges specified in column I of the said schedule and each of the parties shall conform to the time-limit (column II), to the initial duties (column III) and to the tariff denomination laid down therein.

Annexes 1 to 4 in Schedule B specify the duties applicable by the Contracting Parties during each year of the transitional period. The said annexes form an integral part of Schedule B.

Article IV

The provisions of Article VIII, paragraphs 1 and 2, of the Central American Agreement on the Equalization of Import Duties and Charges regarding preferential tariffs shall not apply between the Contracting Parties to this Protocol which have granted each other free trade as the general trading system or special preferential treatment in exceptional cases.

Article V

This Protocol shall be subject to ratification by each State in conformity with its pertinent constitutional and legal regulations.

Instruments of ratification shall be deposited with the Secretariat of the Organization of Central American States. The Protocol shall enter into force for the first three countries which ratify it eight days after the date of deposit of the third instrument of ratification, and for the remaining country, on the date of deposit of its instrument of ratification.
Article VI

The Secretariat of the Organization of Central American States shall be the depositary of the present Protocol and shall send certified copies thereof to the Chancelleries of each of the Contracting Parties, notifying them likewise of the deposit of each instrument of ratification. Upon the entry into force of the Protocol, it shall also transmit a certified copy thereof to the United Nations Secretariat for registration purposes in conformity with Article 102 of the United Nations Charter.

Article VII

The duration of this Protocol shall be conditioned by the period of validity of the Central American Agreement on the Equalization of Import Duties and Charges.

Article VIII

This Protocol shall be open to accession by any Central American State which is a party to the Central American Agreement on the Equalization of Import Duties and Charges.

Provisional Article

The Contracting Parties agree to draw up, not later than six months following the entry into force of the present instrument, any additional protocols which may be necessary for the equalization of import duties and charges on the products referred to in Article III, sub-paragraphs (a), (b), (c) and (d), of the Central American Agreement on the Equalization of Import Duties and Charges.

Provisional Article

The Contracting Parties agree that the duties agreed upon in the present Protocol and in the Central American Agreement on the Equalization of Import Duties and Charges may not be applied to products originating in the Republic of Costa Rica.

Provisional Article

The Contracting Parties agree that the duties and other provisions specified in this Protocol and in the Central American Agreement on the Equalization of Import Duties and Charges are not applicable to natural products originating in the territory of Belize to which Guatemala grants special treatment.

IN WITNESS WHEREOF the respective plenipotentiaries sign the present Protocol at the city of Managua, capital of the Republic of Nicaragua, on this thirteenth day of December one thousand nine hundred and sixty.