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**Working Party on the Accession of
the Union of the Comoros**

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ACCESSION OF THE UNION OF THE COMOROS**QUESTIONS AND REPLIES**

The following submission, dated 5 September 2023, is being circulated at the request of the delegation of the Union of the Comoros.

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II. ECONOMIC POLICIES

- Monetary and Fiscal Policy

Question 1

Paragraph 14: We will continue to review this section on monetary and fiscal policy, which states that a foreign-owned branch has to be "attached" or "affiliated" to a company incorporated under the law of an OHADA State Party within two years of establishment. We have previously noted that this is a market access barrier and appears inconsistent with MFN treatment.

- **During the January Working Party meetings, Comoros indicated that it will share two documents: 1) amended legislation from 2018 and 2) an OHADA court decision, which may provide additional information on the OHADA branching issue. Please submit these two documents to the Working Party. We will reserve our follow up questions and comments until after we have had a chance to review this additional documentation.**

Reply:

See the circulated document – Opinion No. 06/2017/AC Session of 7 November 2017 further to the request for an advisory opinion from the Republic of Côte d'Ivoire filed under No. 001/2017/AC dated 9 May 2017.

There is no amended OHADA legislation from 2018.

Question 2

Paragraphs 22 – 24: We appreciate further elaboration provided in responses to question 4. While we are encouraged that Comoros continues to work to replace the internal taxes with a new value-added tax, we wish to again underscore the importance to the accession process – and to Comoros' wider objectives – of moving forward and completing this tax reform. This issue needs to be resolved prior to accession.

- **Please update the Working Party on the status of legislation that will establish the VAT regime (see COM/9/Rev.7). The LAP indicates that expected adoption or enactment of the legislation is 2022, with implementation in 2024. However, the Working Party has not yet received a copy of the legislation.**

Reply:

The VAT regime legislation is being drafted. The action plan is to be updated depending on the legislation's status.

- Foreign Exchange and Payments

Question 3

We note acceptance of the draft commitment language currently reflected in Paragraphs 28 and 29. After reviewing the language in the Working Party Report, we noticed a small technical edit that should be made. Article VIII of the IMF Articles of Agreement applies to current account transfers only, not to capital account transfers. We suggest the following edit to paragraph 29:

Paragraph 29. The representative of Comoros also stated that Comoros would implement its obligations with respect to foreign exchange matters in accordance with the provisions of the WTO Agreement and related declarations and decisions of the WTO that concerned the IMF. The representative of Comoros further recalled Comoros' acceptance in June 1996 of Article VIII of the IMF's Articles of Agreement, which provides for freedom of current ~~and capital~~ transfers. Specifically, Article VIII provides that "**Subject to the provisions of Article VII, Section 3(b)**

and Article XIV, Section 2, no member shall, without the approval of the Fund, impose restrictions on the making of payments and transfers for current international transactions". The Working Party took note of these commitments.

Reply:

The Union of the Comoros would implement its obligations with respect to foreign exchange matters in accordance with the provisions of the WTO Agreement and related declarations and decisions of the WTO that concerned the IMF. In June 1996, the Comoros accepted Article VIII of the IMF's Articles of Agreement, which provides for freedom of current transfers.

Specifically, Article VIII provides that "[s]ubject to the provisions of Article VII, Section 3(b) and Article XIV, Section 2, no Member shall, without the approval of the Fund, impose restrictions on the making of payments and transfers for current international transactions".

The Union of the Comoros confirms the commitments above.

- Pricing Policies

Question 4

Paragraphs 57 – 58 and follow up to Question 14 (WT/ACC/COM/38): We would like to reiterate our request that Comoros eliminate, prior to accession, ONICOR's exclusive right to import rice, given that Comoros' objectives with respect to supply, quality, and stable prices do not require permitting only one enterprise to import a product. In response (Question 14 in WT/ACC/COM/38), Comoros indicated that an impact assessment on the liberalization of ONICOR had been finalized (and that it includes relevant recommendations), and the impact assessment will be shared with the Working Party.

- **Please share a copy of the World Bank report with the Working Party.**

Reply:

The document has been circulated.

Question 5

Please provide a timeline of Comoros' review and decision making regarding the elimination of ONICOR's exclusive right to import rice.

Reply:

Comoros has decided to end the State monopoly on rice pursuant to Article 25 of Decree No. 23/60/PR "On the new statutes for ONICOR" of 30 June 2023. As a result, the importation and sale of ordinary rice has been liberalized. Accordingly, the practice of the government validating administered prices has been discontinued.

Question 6

We are prepared to work with Comoros to address this issue as needed.

Reply:

The Union of the Comoros thanks you for your willingness to continue to provide assistance on this issue.

Question 7

Paragraph 58 indicates that, in the long term, Comoros has plans for ONICOR to become responsible for managing the country's strategic rice stocks.

- **Does Comoros maintain stocks of any other products besides rice?**
- **At what prices does Comoros procure rice for strategic stocks? Are they procured at market or supported prices?**
- **Does Comoros create annual targets for procurement of goods for strategic stocks, and if so, what are those targets?**

Reply:

- Comoros does not hold stocks of rice or other products.
- The stock management strategy has been abandoned following the publication of Decree No. 23/60/PR of 30 June 2023 on the new statutes of ONICOR, which put an end to the State monopoly on rice. As a result, no purchase prices have been defined.
- There are no annual targets for procurement of goods for strategic stocks.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES

- Authority of Sub-Central Governments

Question 8

Follow up to Question 18 (WT/ACC/COM/38; corresponds with Paragraph 81): Comoros proposed an alternate version of the draft commitment paragraph, which removes "*and other territories under its control including in regions engaging in border trade or frontier traffic, special economic zones, and other areas where special regimes for tariffs, taxes and regulations were established.*" This is commitment language found in working party reports of recently acceded LDC countries, such as Afghanistan. We request that Comoros reconsider including this language in its commitment paragraph for this section.

Reply:

The Union of the Comoros confirms paragraph 81 as follows: "the provisions of the WTO Agreement, including the Protocol of Accession of the Comoros, would be applied uniformly throughout its customs territory".

IV. POLICIES AFFECTING TRADE IN GOODS

- Trading Rights

Question 9

Paragraphs 87 – 88: Comoros' trade regime - which includes the laws and measures that have legal effect in Comoros - must be consistent with WTO rules prior to the date of accession. Our read of the Uniform Act on Commercial Companies and Economic Interest Groups indicates that an OHADA State Party can open and maintain a branch indefinitely in another OHADA State without a requirement to attach to a preexisting company in that State Party or require a company to be created in the territory where the branch has been established. In contrast, a branch owned by a foreign person or foreign company is required to attach to a preexisting company in a State Party, or to create a company in that State Party with which the branch would fall under. This needs to be done within a two-year period, with an allowance for an additional two years, for a total of four years. Branches of OHADA State Parties are treated differently than branches established by

foreign nationals or foreign companies (non-OHADA State Parties). This appears to raise MFN concerns.

- **During a January 2023 bilateral meeting, Comoros explained that there was a 2018 amendment to the law as well as an OHADA Court decision that provided foreign companies with the ability to maintain a branch beyond the four-year limitation. Please describe this practice in more detail. Please also share the 2018 amended legislation and the OHADA Court decision with the Working Party.**

Reply:

There is no amended OHADA legislation from 2018.

According to the OHADA Court decision, maintaining a branch for longer than four years is permitted for an unlimited period in accordance with Advisory Opinion No. 002/2016 of 18 October 2016, in which, in its first query "clarification of the concept of a specific regime provided for in the second paragraph of Article 120 of the Uniform Act on Commercial Companies and Economic Interest Groups", the high court appeared to recognize foreign airlines as having the same benefits as companies operating under a specific regime, thus conceding to them the unlimited exemption for the life of the branches granted under the article to which reference is made.

Question 10

Follow up to Question 25 in WT/ACC/COM/38: Comoros indicated that the professional card was abolished pursuant to a ministerial act and that the legal instrument would be forwarded to the Working Party.

- **Please submit the legal instrument to the Working Party.**

Reply:

See Decision No. 22-28/MMIIE/SG of 18 October 2022 abolishing the professional card.

- Trade Facilitation

Question 11

We are continuing to review the Trade Facilitation section, including the draft commitment language. We have offered to work with Comoros to build out its Action Plan on Trade Facilitation (see WT/ACC/COM/23/Rev.5) to provide details related to the "Actions to be Taken" column and "time-frame" column.

Reply:

The Action Plan has already been updated, taking into account the guidance provided.

A. IMPORT REGULATIONS

- Ordinary Customs Duties

Question 12

We note Comoros' response to Question 32 (WT/ACC/COM/38), which states that it will update information on the COMESA CET tariff lines in the next Working Party report. No additional questions at this time.

Reply:

Comoros takes note of the comment above.

- Other Duties and Charges

Question 13

We are reviewing the draft commitment language for this section and will respond under separate cover.

Paragraph 107 (and follow up to Question 33 in WT/ACC/COM/38): In the last round of questions, we noted that Comoros agreed to eliminate the AI, PI, RCI, RCCI, and RAU by specific dates in 2023, 2024, and 2025. The Action Plan on Fees and Charges (document WT/ACC/COM/23/Rev.5) indicates that these fees will be eliminated in the *first quarter of 2023, 2024, and 2025*. For the sake of clarity, we ask that specific timeframes be included in Paragraph 107, i.e., first quarter of 2023, 2024, and 2025.

Reply:

The Action Plan, as well as the time frame for the elimination of fees and charges, has been updated.

Question 14

In response to Question 33 (WT/ACC/COM/38), Comoros included the below table. Can Comoros please clarify which Order the table refers to? Is it Order No. 22-013/MFBSB/CAB of 2 March 2022 or Order No. 21_60/MFSB/CAB of 29 November 2021? The dates highlighted in green seem to conflict with dates included in Paragraph 107 and in the fees and charges table (page 10 of WT/ACC/COM/23/Rev.5). Is the third column left intentionally blank, or is there additional information that should be included?

Description	Action required	
Elimination of ODCs (RCI, RCCI, AI and PI) at the customs cordon in the Union of the Comoros	1. Provision to be made for the elimination of the RCCI in the 2022 Finance Law 2. Provision to be made for the elimination of the AI and RCI in the 2023 Finance Law 3. Provision to be made for the elimination of the PI in the 2024 Finance Law	
Modality for the collection of the Single Administrative Charge (RAU) at the customs cordon	Provision to be made for the modality for the collection of the RAU in the 2024 Finance Law	First quarter of 2025

Reply:

Order No. 22-013/MFBSB/CAB of 2 March 2022 sets out the expected time frame for the elimination of ODCs.

The updated table is given below.

Description	Action required	Time frame
Elimination of ODCs (RCI, RCCI, AI and PI) at the customs cordon in the Union of the Comoros	Provision to be made for the elimination of the RCCI, AI and RCI and PI in the draft Finance Law due to come into force in 2024 which will be adopted at the end of 2023.	First quarter of 2024
Modality for the collection of the Single Administrative Charge (RAU) at customs	Provision to be made for the modality for the collection of the RAU in the 2025 Finance Law, which will be adopted at the end of 2024	First quarter of 2025

- **Fees and Charges for Services Rendered**

Question 15

We will provide draft commitment language in writing to Comoros under separate cover.

Reply:

Comoros takes note of the comment above.

- **Application of internal taxes to imports**

Question 16

Paragraphs 117 – 121: We continue to have concerns with the internal taxes in this section, given the taxes on imported products are levied at the border, and the taxes are also levied at the point of sale (POS). During a bilateral meeting in January 2023, Comoros explained that while taxes are levied on imported products at the border, all goods are subject to the consumption tax at the point of sale, elaborating that the seller then reconciles its books and pays consumption tax on both domestic and imported goods. The POS consumption tax paid on imported goods is further reconciled within the Comoros' system, and the importer is reimbursed the tax levied at the border for the imported products sold. The consumption tax collected at point of sale for domestic products is paid to the tax authority (AGID). Receipts for products include the purchase price as well as the POS consumption tax paid by the consumer.

- **Can you please confirm that the above understanding is correct? Can you further elaborate on what happens if the imported goods do not sell in the domestic market? Is the importer eventually reimbursed in full for the consumption tax levied at the border?**

Reply:

I. Legal basis

The consumption tax was introduced by Article 139 of the General Tax Code:

- The consumption tax is an indirect tax that applies to all imported products, unless there is a legal exemption.
- It also applies to purchases for resale, production activities, and commercial or non-commercial services.

II. Means of operation

The consumption tax is levied provisionally at customs control at a rate of 10% for all imported products.

After the sale of these products on the national market, the tax authorities calculate the total amount of consumption tax payable. The 10% collected by the customs authorities is deducted from the total amount payable.

III. Example

An importer imports merchandise with a c.i.f. value of KMF 20,000,000.

The consumption tax on that merchandise is:

$$20,000,000 \times 10\% = \text{KMF } 2,000,000$$

The amount of KMF 2,000,000 paid to Customs shall be deducted from the total amount of consumption tax payable once the merchandise is sold on the national market.

In the event that the imported goods are not sold on the domestic market, the General Tax and Property Administration (AGID) will carry out an on-site inspection. When it finds that the sale did not take place with supporting evidence, at the end of the fiscal year, the AGID will conduct a review of all indirect taxable duties. And when it finds that the good is sold at a loss for justified reasons, it shall be exempt from consumption tax. However, the 10% tax levied at the border is not reimbursed, instead it is deducted from other taxes payable.

Question 17

Has legislation been drafted to establish the VAT? If so, please share a copy with the Working Party. If not, what is the expected timeframe for completing the draft legislation, and how does this impact the objective of implementing a VAT in 2024?

Reply:

The legislation is being drafted. The implementation time frame will be completed by 2026.

- **Quantitative import restrictions, including prohibitions, quotas, and licensing systems**

Question 18

In the last round of questions, we asked Comoros to continue to work with the Secretariat to review its list of import licenses in the annex to the draft WP Report, to make sure it remains up to date. We did not see a response to this request.

- **Has Comoros reviewed and updated its list of import licenses in Annex 2?**
- **We will propose a commitment paragraph for this sub-section under separate cover.**

Reply:

Comoros has updated the list of import licences.

Question 19

In paragraphs 129-130, the representative of Comoros illustrated that "the suppliers of luxury rice (including Thai fragrant rice) were required to present quality certification issued by internationally recognized quality inspection body, such as Bureau Veritas or SGS. A second expert opinion on quality was provided by the state-owned ONICOR upon arrival. To this end, samples were sent to LABORATORIZ in Arles, France. A license for the import of luxury rice required prior authorization by the Directorate-General of the Economy and Foreign Trade and that costs KMF 500,000."

In this connection, could Comoros kindly explain how this procedure complies with the Agreement on Import Licensing Procedures?

In addition, if the suppliers have completely submitted the quality certificate and other relevant documents as requested by the Directorate-General of the Economy and Foreign Trade, would Comoros grant the import license of luxury rice automatically? Are there any other criteria that will be taken into account before the import license is granted?

Reply:

This procedure is consistent with the Agreement on Import Licensing Procedures, specifically Articles 2.2(a) and 2.2(b) of the WTO Agreement.

Presenting a quality certification issued by an internationally recognized quality inspection body, together with a second expert opinion on the quality of luxury rice upon arrival, is a normal procedure to guarantee the high quality of the luxury rice by ensuring long grain white rice contains less than 5% of broken grains, and is part of the legal requirements for any importer.

Yes, in accordance with Article 2 of the Agreement, the Comoros would indeed grant import licences automatically to all importers who meet the legal requirements to import rice.

When the criteria for the issuance of automatically administered licences are met, no other criteria are then applied, other than those defined by the WTO Agreement.

– **Customs Valuation**

Question 20

Over the last two months, we have had productive meetings with Comoros regarding Comoros' draft amended Customs Code (WT/ACC/COM/36). As previously noted, Comoros will need to incorporate all Articles of the Customs Valuation Agreement (CVA) and all Interpretive Notes into its national legislation prior to its accession. Our Customs experts have reviewed the draft amended law submitted to the Working Party and have noted some gaps. Our technical experts were able to have an in-depth exchange on outstanding issues mid-February. The four comments below are abbreviated points from those discussions and will be addressed by Comoros.

WT/ACC/COM/36 (legislation): Please update the amended Draft Customs Code to address sequencing issues in Article 38 and Article 38 bis, and to reflect Articles 2, 3, 5, and 6 of the WTO Customs Valuation Agreement (CVA) in their entirety. We would also recommend that the title "Subparagraph 2 – Rules of secondary valuation" be renamed to more accurately reflect the substance of this section.

Reply:

The Union of the Comoros has incorporated the remarks received into the revised draft law on the Customs Code – The customs valuation provisions of the WTO Agreement on Customs Valuation. The document has been circulated.

Question 21

WT/ACC/COM/36 (legislation): Article 40 bis: Article 9.2 of the CVA provides that where the conversion of currency is necessary for the determination of the customs value, the rate to be used must be that in effect at the time of exportation or the time of importation. In accordance with Interpretative Note 9 to the CVA, the "time of importation" may include the time of entry for customs purposes. Please indicate whether the conversion rate to be used is that in effect at the time of exportation or the time of importation in accordance with Article 9.2 of the CVA.

Reply:

The Union of the Comoros has incorporated the remarks received into the draft law comprising the relevant customs valuation provisions. The conversion rate to be used is that which is in effect at the time of importation or exportation, according to what the Customs Code in force provides under the terms of the WTO Agreement. The document has been circulated.

Question 22

WT/ACC/COM/36 (legislation): The following Interpretative Notes appear to be missing from Comoros' legislation:

- **Interpretative Note to Article 1, Paragraph 2;**
- **Interpretative Note to Article 2(4)-(5);**
- **Interpretative Note to Article 3(4)-(5);**
- **Interpretative Note to Article 5(5);**
- **Interpretative Note to Article 5(7)-(8);**
- **Interpretative Note to Article 6(7)-(8); and**
- **Interpretative Note to Article 8 paragraph 1(b)(iv)(7).**

Reply:

The Union of the Comoros has taken these remarks into account in the draft law revising the Customs Code. The customs valuation provisions are incorporated. The document has been circulated.

Question 23

WT/ACC/COM/38: Follow up to Question 43. Please provide the Working Party with a copy of Decision No. 22-08/MFBSB/DGD in which Comoros incorporates Decision 4.1 of the WTO Committee on Customs Valuation.

Reply:

A copy of the decision is being circulated to Members.

- **Rules of Origin**

Question 24

We thank Comoros for the additional clarity in this section. We are reviewing the draft commitment paragraph in the Working Party Report (Paragraph 143) and will respond under separate cover.

Reply:

Comoros takes note of the comment above.

- **Anti-dumping, countervailing duties, safeguard regimes**

Question 25

We have a number of follow up questions to the Questions and Replies document (WT/ACC/COM/38). We will also propose draft commitment language at the appropriate time under separate cover.

Follow-up to Question 52 (WT/ACC/COM/38): Will the Antidumping and Subsidies Committee conduct the onsite verifications for AD and CVD investigations? If so, as a member of the committee, will the "representative of the private sector" also attend these verification visits? Can you identify what role the "representative of the private sector" is to play on the committee?

Reply:

In accordance with Article 2 of the draft order establishing the Anti-Dumping and Subsidies Committee, the Committee has the power to carry out on-the-spot verifications as part of its investigations.

In accordance with Article 3 of the draft, the private sector is part of the Committee. In this regard, as a member of the Committee, it is authorized to also participate in verification visits.

Private sector participation in the investigation committee is a matter of credibility and transparency. In this regard, it plays the same role as other members of the Committee.

Question 26

Follow-up to Question 53 (WT/ACC/COM/38): Thank you for clarifying how participating parties can review information from other parties during an investigation. If parties request and receive information from the authority, will parties also have the opportunity to submit comments on the record of the proceeding?

Reply:

After receiving information gathered by the competent authority (the Committee), the parties opposing the complaint, most notably importers, exporters, foreign producers and foreign governments, as well as interested trade associations, have the opportunity to file their comments with the investigative Committee (preliminary phase of the injury investigation) and subsequently with the competent court (phase involving the court's provisional affirmative determination of injury and statement of reasons).

Question 27

Follow-up to Question 54 (WT/ACC/COM/38): Thank you for clarifying that all public files will be published in a journal containing legal notices. Please clarify how the public will be able to access the journal containing legal notices (e.g., in person in a reading room or on-line via a website)?

Reply:

All the files will be published in the official journal. The public will be able to access the journal in person or/and online.

Question 28

Follow-up to Question 57 (WT/ACC/COM/38): When do you anticipate that Comoros will draft the mentioned regulatory texts on judicial, arbitral, or administrative tribunals, as well as regarding the activities of the Antidumping and Subsidies Committee?

Reply:

The Committee's activities will be introduced as soon as possible into the draft order establishing the Anti-Dumping and Subsidies Committee. The drafting dates of regulatory texts on judicial, arbitral and other administrative tribunals will also be communicated to you.

Question 29

Decree No. 22 -__/_MEIIE/CAB establishing an Anti-Dumping and Subsidies Committee

The Decree provides for the establishment of a committee responsible for conducting anti-dumping and countervailing measure investigations. It is provided that this committee shall comprise, *inter alia*, a representative from the private sector and a representative from the National Consumers Federation.

- **Has Comoros considered the possibility of a potential conflict of interest in a specific investigation and, if so, how does Comoros plan to avoid such conflict?**

Reply:

No, according to the aforementioned Decree, the Union of the Comoros has not considered the possibility of a potential conflict of interest in a specific investigation. The private sector is represented on the Anti-Dumping and Countervailing Measures Committee in an effort to ensure credibility and transparency in all issues related to anti-dumping and countervailing measures. The private sector performs the same functions as all members.

Question 30

The Decree states that the members of the Committee may grant the parties concerned a hearing if they so request, or for the purposes of the investigation, either together or separately.

- **Please explain how Comoros plans to ensure that all interested parties will have an opportunity to defend their interests? For example, will interested parties have an opportunity to: meet parties with adverse interests, consult written summaries of oral representations, and see all documents relevant to the presentation of their cases?**

Reply:

Pursuant to Article 9 of the Decree on procedures, conditions and implementation methods for anti-dumping and countervailing measures, and Articles 32.3. 32.4 and 35 of the Law on Foreign Trade, consultations are held and taken into account to enable all interested parties to assert their interests during the investigation process.

All of these publicity and communication measures will enable any interested party in the proceedings to play an active role therein and best assert its interests.

Question 31

Decree No. 22 -_/MEIIE/CAB on procedures, conditions and implementation methods for anti-dumping and countervailing measures:

The Decree establishes rules on the initiation of anti-dumping and countervailing measure investigations and on applications for the initiation of such investigations. That said, the Decree makes no mention of pre-initiation consultations for countervailing measure investigations.

Article 13.1 of the Agreement on Subsidies and Countervailing Measures stipulates that:

"As soon as possible after an application under Article 11 is accepted, and in any event before the initiation of any investigation, Members the products of which may be subject to such investigation shall be invited for consultations with the aim of clarifying the situation as to the matters referred to in paragraph 2 of Article 11 and arriving at a mutually agreed solution."

- **Does Comoros intend to invite the Member countries concerned for consultations, prior to the initiation of the countervailing measure investigation?**

Reply:

The Union of the Comoros has taken note of this relevant point and will incorporate this provision, which opens up the possibility of inviting the Member countries concerned for consultations, into the related Decree.

B. EXPORT REGULATIONS**- Export restrictions****Question 32**

We will propose a commitment paragraph for this section under separate cover.

Reply:

Comoros takes note of the comment above.

C. INTERNAL POLICIES AFFECTING FOREIGN TRADE IN GOODS**- Technical barriers to trade, standards and certification****Question 33**

Paragraph 167 states "The representative of Comoros added that Comoros' National Quality Policy (Politique Nationale de la Qualité, PNQ), approved in 2021, had become the country's core quality document, which envisaged the development of all components of the country's quality infrastructure. The PNQ called for the review and updating of legislation (e.g., Decree No. 99087/CE). He added that Comoros required assistance with the implementation of the PNQ."

- **Can Comoros share, or has it already shared, the National Quality Policy referenced in paragraph 167? What is the difference between a policy and a law with respect to how the Policy will be implemented and monitored? Also, how do the Metrology Law and the National Quality Policy relate?**

Reply:

The National Quality Policy has already been shared with the Secretariat.

The law is a text that sets out rules to organize life in society. It defines rights and obligations. The law is implemented by technical regulations to guarantee rights and obligations. With regard to policy, this has no legal effect. It serves as a guide and provides government guidance on a particular subject, without creating legal rules. Its implementation is followed by an action plan and guidelines. The Metrology Law is a technical regulation stemming from the National Quality Policy.

Question 34

Paragraph 169, Page 42: As of now, please provide information on technical regulations that Comoros implemented and in which products.

Reply:

Pursuant to Law No. 17-005/AU of 26 October 2017 on food legislation in the Union of Comoros, the technical regulations implemented are set out in Articles 126-136 on the distribution procedures and requirements for foodstuffs. Some products covered: eggs, milk, and sea and fresh water products. In addition, the Comoros has implemented regulations banning the importation of plastic bags.

Question 35

Paragraph 169, Page 42: Does Comoros recognize governmental/non-governmental bodies for assessing conformity of goods with that Party's technical regulations?

Reply:

Pursuant to Law No. 17-005/AU of 26 October 2017 on food legislation in the Union of the Comoros, several provisions provide for the recognition of governmental and non-governmental bodies to assess the conformity of goods with the technical regulations of the Party in question (see Article 97).

Question 36

Paragraph 174: *"The representative of Comoros added that all official acts were published in the Official Journal and on its website. The Office Journal Service of the Secretariat-General of the Government was responsible for the publication of technical regulations in the Official Journal. [And] While there was no strict deadline by which to publish technical regulations, the Secretariat-General acted within reasonable time frames. When preparing and adopting technical regulations, the department concerned had to forward them to the Secretariat-General for publication. The enquiry point, with the help and support of the national TBT Committee, reviewed all draft measures before publication. All information related to technical regulations could be found on the Secretariat's website, [www.jocomores.km]."*

- **Will Comoros provide 60 days for WTO Members to comment on draft technical regulations, per the WTO TBT Agreement? Are there plans to develop guidance for authorities on minimum timeframes for public consultation on draft regulations, particularly those that might affect trade and investment?**

Reply:

Comoros intends to respect the terms of the WTO TBT Agreement taking into account Article 2.12 which provides for a reasonable interval to allow Members time to comment on draft technical regulations, as per the Agreement.

Comoros plans to develop guidance for authorities on minimum timeframes for public consultation on draft technical regulations, particularly those that might affect trade and investment, in accordance with the TBT Agreement.

For public consultation, the Union of the Comoros plans to draw up regulatory texts in accordance with Annex 3, paragraph L, of the TBT Agreement, which stipulates a minimum period of 60 days.

Question 37

Follow up to Question 64: *In its response to Question 64 (WT/ACC/COM/38), Comoros stated "Once the institution of a national committee member has a draft technical regulation, it must be presented to the national committee as soon as possible before it can be signed. As soon as the draft text is made available to the committee, the enquiry point shall officially notify the WTO. The National TBT Committee is informed of the draft technical regulation and gives its opinion before notification and approval of the draft regulation."*

- **Under the described processes, can Comoros elaborate on whether draft technical regulations will be notified to the WTO TBT Committee at a sufficiently early stage where amendments can still be introduced, and stakeholder comments can be taken into account?**
- **We need to better understand what "gives its opinion" means. Are the functions of the National TBT Committee published or available for the Working Party to review?**

Reply:

As indicated in Articles 2.9.2, 2.9.3 and 2.9.4 of the WTO TBT Agreement, draft technical regulations shall be notified to the WTO TBT Committee.

As regards domestic legislation, Article 3 of Order No. 18/VP-MEEIATISPAF/CAB on the establishment, composition and mission of the National WTO Committee on Technical Barriers to Trade (CNOTC-OTC) stipulates that the TBT Committee is the WTO-TBT notification centre. The Union of the Comoros plans to draw up a regulatory text on notification arrangements.

The phrase "gives its opinion" means to provide technical comments on the conformity of the regulation. The functions of the National TBT Committee are determined by Order No. 18/VP-MEEIATISPAF/CAB on the establishment, composition and mission of the National WTO Committee on Technical Barriers to Trade (CNOTC-OTC), which has been circulated to Members.

Question 38

TBT Action Plan (WT/ACC/COM/23/Rev.5): In Table 4, page 12, Comoros outlines the measures it intends to take related to the establishment of a new standards office. However, the three measures to be taken (recruitment of a consultant, submission to the Council of Ministers, preparation of a decree) are all planned for the first quarter of 2023. We recognize that some work may already be underway, but is this timetable achievable?

Reply:

The action plan and timetable have already been revised. All measures to be taken are included in the action plan with a precise timetable.

Question 39

Follow-up to Question 67 (WT/ACC/COM/38): The response indicates that the Secretariat-General "is not under a strict deadline by which to publish technical regulations." What mechanisms does Comoros maintain to ensure that technical regulations are ultimately published? Has there ever been an instance when technical regulations were not published?

- **Comoros did not respond to the question. Can Comoros please provide a response?**

Reply:

The Secretariat-General of the Government is responsible for publishing technical regulations, like all regulations, in the Official Journal, which comes under its authority. The Official Journal is now the only mechanism for the publication of regulations.

No, all regulations are published.

- Sanitary and phytosanitary measures

Question 40

Paragraph 187: Comoros indicates that Mr. Hassani Assoumani of the Ministry of Trade is the designated focal point for Comoros' SPS enquiry point. Is Mr. Assoumani still the SPS Enquiry Point for Comoros? Are there any additional points of contact at his Ministry, or a general inbox for inquiries in case of his absence?

Reply:

Yes, Mr Hassani Assoumani is the SPS Enquiry Point for Comoros. There are no other focal points. Further information on other points of contact is being prepared, and a general inbox for inquiries is being set up.

Question 41

Follow up to Question 76 (WT/ACC/COM/38): Comoros replied noting that there are plans for laboratories to seek accreditation. What is the process or plan that is in place or in development for accreditation of these laboratories?

Reply:

The multifunctional laboratory accreditation plan will be developed once the laboratory is set up.

Question 42

Follow up to Question 77 (WT/ACC/COM/38): Comoros indicated that risk assessment methods stipulated under Article 3 of the Food Law would be finalized following the signing of implementing texts in the second quarter of 2023. We request that Comoros share the risk assessment methods prior to the signing of the implementing texts. We seek to better understand what Comoros' risk assessment methods are and how they are applied.

Reply:

The implementing texts that will define the risk assessment methods have not yet been finalized. The work will be finalized as set out in the timetable (third quarter of 2024) and will subsequently be shared with you so as to facilitate an understanding of the texts.

Question 43

Follow up to Question 78 (WT/ACC/COM/38): Comoros indicated that text would be shared after October 2023. Is it possible to share the draft text earlier?

Reply:

The draft text will be shared with you before October 2023, the date given in the timetable of the action plan.

Question 44

Follow up to Question 79 (WT/ACC/COM/38): Comoros noted that draft texts have been prepared on the "principles of equivalence, transparency, zoning, and compartmentalization." We request that these texts be shared.

Reply:

As indicated in the sectoral action plan, the texts will be prepared and shared before the timetabled date in 2024.

Question 45

Follow up to Question 81 (WT/ACC/COM/38): Comoros noted that the National Notification Authority would be established by November 2022 and that the sectoral Action plan (WT/ACC/COM/23/Rev.5) would be updated with its inclusion. However, there is no mention of the National Notification Authority in the Action Plan for SPS (WT/ACC/COM/23/Rev.5). It was mentioned in WT/ACC/SPEC/COM/5/Rev.4 in Paragraph 188. We ask Comoros to share the finalized notification procedures and the location of the National Notification Authority.

Reply:

The National Notification Authority has now been established by Administrative Note No. 23-008 appointing the National Notification Authority. The notification procedures will be shared shortly.

Question 46

In the Action Plans to Ensure the WTO Consistency of National Laws (WT/ACC/COM/23/Rev.5), under SPS-Related Measures, pg. 3, "Promotion of good local governance for SPS measures," Comoros indicates the time frame for nine actions as 2022-2025. Which actions have been completed so far? How are these actions prioritized?

We request that Comoros update the time frames with as much detail as possible, including actions under each measure, for these nine actions.

Reply:

The order of priority is defined according to implementation capacities and feasibility.

The timeframes have been updated and are more detailed. The sectoral action plan has been updated and will be shared.

Question 47

Under SPS-Related Measures, page 4, "Strengthen and operationalize the implementing entities of the SPS system...": Comoros indicates the time frame for all 13 actions as 2023-2024. Which actions have been completed so far? How are these actions prioritized? We request that Comoros update the time frames with as much detail as possible, including actions under each measure, for these 13 actions.

Reply:

The order of priority is defined according to implementation capacities and feasibility.

The timeframes have been updated and are more detailed. The sectoral action plan has been updated and will be shared.

- State-trading entities

Question 48

Paragraph 195, Page 48: Comoros had stated that the National Office for the Importation and Marketing of Ordinary Rice (ONICOR) had a monopoly on the import of ordinary rice to keep prices affordable. On October 2022, it was reported that Comoros experienced food shortage. Would Comoros adapt a policy that will allow ONICOR or other private sectors importing more rice to keep prices affordable in the future?

Reply:

Yes, the Comoros, with the support of the World Bank, has produced a study on the statute of ONICOR with a view to the possibility of opening up to other, private sector players. The report has been circulated to Members.

In addition, Decree No. 23/60/PR of 30 June 2023 on the new statutes for the National Office for the Importation and Marketing of Rice ended the state monopoly over rice. Pursuant to Title III, Article 25, the importation and sale of rice in the Union of the Comoros had been liberalized.

- Agricultural Policies

a. Imports

Question 49

Paragraph 207: Comoros stated that it might create policies focusing on development of a domestic agri-food sector. We understand Comoros described a potential scenario and has not made a firm decision to establish such policies. The possible policies include protecting infant agri-food industry for an initial period of five years in accordance with the 1991 Abuja Treaty and WTO rules. The Draft Report of the Working Party also states that tariffs and quotas could be introduced for several agri-food products so as to reduce imports while promoting domestic production.

- **Please specify the evaluation criteria Comoros would take to identify which infant agri-food industries would need protection.**

Reply:

This policy of protecting agri-food industries has been abandoned by the Government of the Comoros.

The current reference document is the Comoros Emerging Plan 2030. Its vision for agriculture is to promote the most productive agricultural systems and that are resilient to climate change, competitive and sustainable, while consolidating rural communities' resilience and building on agricultural processing units according to the value chains.

Achieving the agricultural sector objectives will depend, on the one hand, on the scale of support measures for agricultural subsectors and, on the other hand, on financial reforms for the sustainable financing of the sector. It will also build on the improvement and sustainable intensification of agricultural production, the promotion of export crops, and the development of infrastructure and institutions that support the growth of the sector.

Question 50

Please explain the steps Comoros would take to ensure the potential protection of domestic infant agri-food industries are in accordance with WTO agreements, including determination of tariffs and quotas.

Reply:

There are currently no measures to protect domestic infant agri-food industries.

c. Internal Policies

Question 51

Follow up question to Question 83 (WT/ACC/COM/38; now Paragraph 215): In its reply to 83, Comoros states that it will update the document on domestic support and export subsidies in agriculture, however it has not yet provided the updated document to the Working Party. Please advise as to when you will submit an updated document (WT/ACC/SPEC/COM/3)?

Reply:

The document has been updated. The updated version will be shared.

VI. POLICIES AFFECTING TRADE IN SERVICES

Question 52

Paragraph 280 and follow-up to Question 146: Rev.4 of the Working Party Report states "The representative of Comoros noted, however, that most of the disciplines contained in the Reference Paper were not yet in place across Comoros' services sectors. As a result, the mandatory implementation of accession commitments in this area presented a huge obstacle and would entail significant resources to ensure compliance, which were currently not available. He proposed, therefore, that Comoros undertake transparency commitments which corresponded to the outcome of the Joint Initiative on Services Domestic Regulation. The latter provided for flexibilities in the implementation process while promoting good regulatory practices, taking into account the needs and priorities of WTO Members with diverse regulatory approaches and at different levels of economic development." This paragraph is unnecessarily broad in its rejection of the reference paper. We request that Rev.4 Paragraph 280 be removed from the Working Party Report.

Reply:

Comoros would like to note that the objective of the above paragraph as suggested by Comoros was not to reject the Reference Paper. Rather, as further explained in paragraph 279 of WT/ACC/SPEC/COM/5/Rev.4, Comoros is firmly convinced of the importance of establishing a transparent, predictable, and conducive regulatory environment for services suppliers, and, for this purpose, the Reference Paper constitutes a critical reference point for our internal reform process. However, since, Comoros lacks the necessary resources to ensure immediate compliance with the disciplines on services domestic regulation, we propose to commit to their progressive implementation in accordance with the flexibilities provided in the SDR Reference Paper for LDC participating Members (i.e. incorporation of the disciplines in Comoros' Schedule of specific commitments no later than six months in advance of graduation from LDC status, together with any required transitional periods).

Against this backdrop, and since the commitment by Comoros to join the Declaration on the Conclusion of the Negotiations on Services Domestic Regulation would be substantively contained in the following paragraph (see also Comoros' reply to the question below), Comoros can accept that paragraph 280 as drafted by Comoros be removed from the Working Party Report.

Question 53

We request that paragraphs 280 - 281 in WT/ACC/COM/5/Rev.4 of the Working Party Report be replaced with the following revised commitment paragraphs:

280. The representative of Comoros confirmed that Comoros would, from the date of accession, fully implement the WTO General Agreement on Trade in Services, including Articles III and VI. He confirmed that Comoros would work to establish mechanisms for responding to enquiries from interested persons. He further confirmed that Comoros would work to publish a list of all ministries, agencies, or other authorities that were responsible for authorizing, approving, or regulating service activities for each service sector, including non-governmental bodies exercising powers delegated by governments or authorities. In addition, Comoros would undertake efforts to ensure that all of its authorization procedures and requirements are published in Comoros' Official Journal, and otherwise ensure that service suppliers or persons seeking to supply a service are provided with the information necessary to comply with the requirements and procedures for obtaining authorization. He further confirmed that relevant regulatory authorities would be separate from, and not accountable to, any service suppliers they regulated. The Working Party took note of these commitments.

281. The representative of Comoros also confirmed that Comoros would join the Declaration on the Conclusion of the Negotiations on Services Domestic Regulation (WT/L/1129 of 2 December 2021) upon accession to the WTO. In accordance with paragraph 11 of Section I of the Reference Paper on Services Domestic Regulation, as a Least-Developed Country Member, Comoros would incorporate the disciplines on Services Domestic Regulation no later than six months in advance of graduation from LDC status, together with any required transitional periods. In the spirit of paragraph 11 of Section I, Comoros would continue working internally with a view to applying the disciplines contained in the Reference Paper as soon as possible and before graduation from LDC status. The Working Party took note of these commitments.

282. With respect to foreign service suppliers' choice of partner, the representative of Comoros confirmed that foreign service suppliers, when entering into a joint-venture or other partnership with persons of Comoros, were free to choose their partner(s). The Working Party took note of this commitment.

Reply:

Comoros accepts the inclusion of these paragraphs in the Working Party Report.

VII. TRANSPARENCY

- Publication of information on trade

Question 54

Paragraph 282: states that the "*Directorate-General of Customs had a website (<http://douane.gov.km>) which contained information on regulations, including on inspection.*" Do other authorities also publish information on regulations, or other information such as fees for conformity assessment, the functions and organization of the authority, and/or procedural requirements?

Reply:

No other authorities are currently responsible for publishing information on regulations or other information such as fees for conformity assessment, the functions and organization of the authority, and/or procedural requirements.

- Notifications

Question 55

Paragraph 283, Page 67: According to paragraph 283 in document WT/ACC/SPEC/COM/5/Rev.4, as the notification is one of the WTO obligations, we would like to be updated on the establishment of the National Notification Authority and its sectoral action plan. Is there any plan to make all notifications to the WTO available to the public? Furthermore, what could be considered obstacles to comply with the WTO Notification requirements?

Reply:

The Foreign Trade Directorate is the National Notification Authority: the memorandum has been circulated to Members. The sectoral action plan will be drafted as soon as possible.

Yes, all notifications will indeed be made available to the public.

The major obstacle remains the lack of competent notification staff. Consequently, the Union of Comoros needs in-depth training on WTO notifications.
