

DIARIO OFICIAL Volume No. 377
MINISTRIES OF THE ECONOMY AND OF AGRICULTURE AND LIVESTOCK
SECTORS OF THE ECONOMY AND OF AGRICULTURE AND LIVESTOCK

AGREEMENT No. 1265.

THE EXECUTIVE BODY OF THE REPUBLIC OF EL SALVADOR IN THE SECTORS OF ECONOMY AND AGRICULTURE AND LIVESTOCK.
EIGHTEENTH OF DECEMBER, TWO THOUSAND SEVEN.

WHEREAS:

- I. It is the responsibility of the State to facilitate conditions for the normal development of productive activities in the country;
- II. Through Legislative Decree No. 555 dated December 17, 2004, published in the “Diario Oficial” No. 17, Volume No. 366 on January 25, 2005, the Free Trade Agreement Between Central America, the Dominican Republic and the United States was ratified, which went into effect on the first of March, 2006;
- III. Article 3.13 and Appendix I of the General Notes to the Tax Benefit Schedule of the Republic of El Salvador of the Free Trade Agreement Between Central America, the Dominican Republic and the United States establish general provisions to administer the tariff rate quota guaranteeing, among others, transparent and appropriate procedures that respond to market conditions, as well as that the assignment of quotas be made on commercially viable shipments to the greatest extent possible. Therefore, the development of mechanisms through which such quotas may be assigned for the different agricultural products established in the above Appendix is required.
- IV. El Salvador and the United States can agree based on subparagraph e) of Paragraph 16 of Appendix I of the General Notes to the Schedule of the Republic of El Salvador that the quantities within the tariff rate quota for chicken products be assigned according to a Commercial Export Certificate approved according to the Export Trading Company Act of 1982, 15 U.S.C. Sec. 4011 – 4021 (2000) of the United States;
- V. For the purpose of providing certainty to the economic agents and transparency to the mechanisms for assignment of the quotas, it is necessary to state regulations which establish the procedures to administer the tariff rate quota for subsections 0207.13.99B, 0207.1499B and 1602.3200A, corresponding to chicken parts, not subject to performance requirements under the Free Trade Agreement Between Central America, the Dominican Republic and the United States.

THEREFORE,

The following **IS HEREBY AGREED:**

**REGULATIONS FOR THE ADMINISTRATION OF THE TARIFF RATE QUOTA FOR
CHICKEN LEG QUARTERS NOT SUBJECT TO PERFORMANCE REQUIREMENTS
WITHIN THE FREE TRADE AGREEMENT BETWEEN CENTRAL AMERICA,
THE DOMINICAN REPUBLIC AND THE UNITED STATES.**

TITLE ONE

PRELIMINARY PROVISIONS AND DEFINITIONS

CHAPTER I

PRELIMINARY PROVISIONS

Art. 1. – The purpose of these Regulations is to establish the procedures to administer the tariff rate quota for chicken leg quarters in subsections 0207.13.93, 0207.13.94, 0207.14.93, 0207.14.94 and 1602.32.10 of the Central America Tariff Rate Quota System, established in Paragraph 16 of Appendix I of the General Notes of the Schedule of the Republic of El Salvador within the Free Trade Agreement Between Central America, the Dominican Republic and the United States.

The tariff rate quota of the above shown subsections corresponds to the merchandise shown as qualifiable, pursuant to the provisions of Paragraph 4 of the General Notes of the Schedule of the Republic of El Salvador of Annex 3.3.

Art. 2. – The tariff rate quota to which these Regulations refer will be assigned through Certificates issued by the Central American Poultry Export Quota, INC., company, henceforth CA-PEQ, which administers an open and public auction system to assign the quantities of the tariff rate quota.

CA-PEQ has been authorized to issue these Certificates pursuant to the provisions of the Export Trading Company Act of 1982, 15 U.S.C. Sec. 4011 – 4021 (2000) of the United States.

Art. 3. – The Ministry of the Economy, through the Department of Administration for Commercial Agreements, henceforth "The Department", will be the authority responsible for applying the provisions contained in these Regulations. –

Art. 4. – The applicable tariff rate for quantities imported within the tariff rate quota will be zero percent (0%). These Regulations do not exempt the importer of the tariff rate quota products from fulfilling the Salvadoran legal regulation and particularly from the provision on Customs, tax, animal health and public health matters.

Art. 5. – The tariff rate quota for chicken parts to which these Regulations refer must be used during the entire period comprised between the first of January and the thirty-first of December of each calendar year, pursuant to the provisions of the General Notes of the Schedule of the Republic of El Salvador included in Annex 3.3 of the Agreement.

The above tariff rate quota will remain in effect until the product in question achieves free trade and may not be modified as a result of additional demands from the beneficiaries.

CHAPTER II

DEFINITIONS

Art. 6. – For purposes of these Regulations, the following is understood:

AGREEMENT:	Free Trade Agreement Between Central America, the Dominican Republic and the United States;
TARIFF RATE QUOTA:	Volume of annual imports of chicken parts established in Paragraph 16 of Appendix I of the General Notes of the Schedule of the Republic of El Salvador of the Agreement, subject to a preferential import tariff rate of zero percent;
QUOTA:	Volume of importations of chicken parts as part of a tariff rate quota;
CERTIFICATE OF:	Document issued by CA-PEQ pursuant to the provisions established in subsection e) of Paragraph 16 of Appendix I
ALLOCATION OF THE:	of the General Notes of the Schedule of the Republic of El Salvador and the Commercial Export Certificate
TARIFF RATE QUOTA:	awarded to CA-PEQ in accordance with the Export Trading Company Act of 1982, 15 U.S.C. Sec. 4011 – 4021 (2000)
TARIFF RATE:	of the United States.

TITLE TWO

PROCEDURE FOR THE ALLOCATION OF QUOTAS

AND THEIR CONTROL

Art. 7. – During the month of December of the immediately preceding year, the Department must publish the volume of the tariff rate quota allocation which will be in effect for the coming year in the "Diario Oficial" and in a newspaper with national circulation.

Art. 8 – CA-PEQ must publish the notice of public auction within the first fifteen working days of the month of January of each year contained within the tariff rate quota, both on the Internet and in a newspaper with national circulation.

This notice will contain the information needed to participate in the auction, among which is the deadline for accepting bids, the volume that is subject to auction, the period for the importation and the individuals or legal entities which are eligible to participate in said auction.

Art. 9. – All Tariff Rate Quota importations of chicken parts must be accompanied by the Certificate issued by CA-PEQ in order to enjoy the preferential tariff rate of zero percent. Otherwise, they will pay the corresponding tariff rate.

Art. 10. – The Certificate of Tariff Rate Quota Allocation must be prepared by CA-PEQ according to the format shown as the Annex to these Regulations. This Certificate must be printed on safety paper and contain signatures and legible seals, which must have been notified to the Department in advance. CA-PEQ will send at least 3 original copies of the referenced Certificate to the Department.

In case modifications are made to the format of the Certificate or there are changes regarding its safety aspects and seals, CA-PEQ must notify the Department of this within 15 working days ahead of the issuance of a Certificate that contains such modifications.

Art. 11. – The Department will notify the General Customs Department, henceforth identified by its initials “DGA” , and the Office of Policies and Strategies at the Ministry of Agriculture and Livestock, henceforth identified by its initials “OPE”, of the modifications being made to said Certificate in writing within three working days after receiving the communication from CA-PEQ.

Art. 12. – After the award, CA-PEQ must notify the Department within 5 working days of the names of the individuals or legal entities to whom the awards have been made, as well as the volumes of Tariff Rate Quotas assigned on each Certificate. In turn, the Department may request any additional information it deems appropriate.

Art. 13. – Individuals or legal entities interested in importing chicken parts must file a request with the Department, which will contain at least the following information:

- a) Photocopy of the Allocation Certificate issued by CA-PEQ.
- b) Name, registered name or corporate name of the petitioner, including a description of its economic activity;
- c) Name of the Legal Representative and legalized photocopy of its appointment, when dealing with a legal entity;
- d) Legalized photocopy of the petitioner’s Sole Identity Document (DUI) and Taxpayer ID (NIT), when dealing with an individual;
- e) Legalized photocopy of the Company’s Articles of Incorporation and the Business Registration Number, in the case of legal entities;
- f) Petitioner’s Taxpayer Registration Number, Income Solvency and VAT Number;
- g) Tax and business address, telephone, email or fax in order to receive notifications;
- h) Name and original handwritten signature of the petitioner or Legal Representative, as the case may be;
- i) Legalized photocopy of the Plant Operating Permit issued by the Ministry of Agriculture and Livestock;
- j) Legalized photocopy of the Cold Storage Operations and Facilities License issued by the Health unit closest to the facilities;
- k) Company seal on the request, in the case of a legal entity;
- l) Place and date of the filed request.

When the request does not include the above requirements, the petitioner will be barred from bidding for three working days until it is corrected, and in the case of non-compliance, it will be inadmissible.

Art. 14. – The Department will verify the documents attached to the request, and if they are found to be acceptable, the request will be approved by Executive Agreement of the Ministry of the Economy.

The Department will notify the above Executive Agreement to the interested parties and to the DGA.

Art. 15. – The Executive Agreement referenced in the above Article must contain at least the following information:

- a) Name, address and NIT of the Beneficiary, whether the owner or transferee;
- b) List from the Allocation Certificate issued by the CA-PEQ;
- c) Business description of the product and its tariff rate classification;
- d) Authorized importation volume;
- e) Duty tariff rate on importation applied in and out of quota; and
- f) Term.

Art. 16. - Should it be proven that a beneficiary has filed a false or altered Certificate or any other false information in order to have a duty free tariff rate quota, the Department will reject the request filed by that beneficiary and will notify CA-PEQ so it can take whatever measures it deems appropriate. The aforementioned is notwithstanding those administrative, tax or criminal responsibilities which may apply in this case according to law.

Art. 17. – The Department will carry out an updated registration of the beneficiaries of the Tariff Rate Quota for the purpose of analyzing the respective quota performance.

Art. 18. - The DGA must be in charge of updated controls on the volume of products imported within the allocated quotas to make sure that they are properly utilized and to ensure payment of the Import Tariffs, as the case may be.

Throughout the operational period of the quota, the DGA must send a monthly report to the Department and OPE containing the tariff rate classification, volume, value and Import Tariff Rate applied to the imports made in and out of quota for the referenced product along with the names and NIT of the importers.

TITLE THREE

TERM

Art. 19. - These Regulations will take effect on the first of January, two thousand eight.

YOLANDA MAYORA DE GAVIDIA
MINISTER OF THE ECONOMY

MARIO ERNESTO SALAVERRIA
MINISTER OF AGRICULTURE AND LIVESTOCK

CENTRAL AMERICA POULTRY EXPORT QUOTA, INC.

CERTIFICATE OF TARIFF – RATE QUOTA
ALLOCATION / TRANSFER OF OWNERSHIP

1. TRANSFEROR

TRANSFEEEE

NAME: _____

NAME: _____

ADDRESS: _____

ADDRESS: _____

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

ADDRESS: _____

ADDRESS: _____

2. TRANSFEROR

TRANSFEEEE

NAME: _____

NAME: _____

ADDRESS: _____

ADDRESS: _____

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

ADDRESS: _____

ADDRESS: _____
