

LOME IV AGREEMENT

It is a nonreciprocal agreement of financial and technical cooperation, emergency assistance and preferential system of commerce of the European Economic Community (EEC) to a group of independent countries of Africa, the Caribbean and Pacific (ACP) constituted largely by European ex-colonies.

By this agreement, countries of the European Economic Community and its Overseas Countries and Territories (PTU) permit the free entrance of products which were produced in the ACP states, without quantitative restriction and the nonreciprocity of equal treatment on behalf of the ACP states and the EEC, even though they should dispense of the established treatment under the clause of the favored nation in the General Agreement of Taxes and Tariffs (GATT).

In any case, if the application of this preferred commerce causes distortions in the economies of the members of the EEC, the affected states may adopt safeguard measures.

The countries which grant preferential benefits are those which make up the European Economic Community block, together with its Overseas Countries and Territories.

At present, there are a total of 69 developing countries under development which have been designated as beneficiaries, among these the Dominican Republic has been included since December 15, 1989.

The preferential system of this Agreement, in general terms, applies to all products.

Nonetheless, under this Agreement, the treatment differs for certain farming and animal husbandry products, which are covered under the Common Market and the Political Agrarian Commune of the EEC.

Four products, plantains, rum, beef and sugar, are items with specific terms.

All the imported products which qualify under the Agreement will be exempted from all Custom Duties. In the case of some agricultural products, Tariff reductions will instead apply.

A product qualify to be benefitted under this Agreement when:

- The product comes from a beneficiary country
- Meet with the Original Regulations of the Agreement
- Meet the requirement of direct transport
- Present a Certificate of Merchandise Circulation ERU-1

The objectives of the Original Regulations are to protect the benefits of the preferential system for the ACP states for whom they are intended, and to avoid exploitation by other third countries which do not form part of the Agreement.

The preferential system established for the purpose of commercial cooperations under the Agreement shall only be applied to those products elaborated in the State or an ACP States is at least 45% of the value of the finished product, and provided that the exception does not cause any severe prejudices in an economic sector of the community or in one or more of its member States.

The native condition of the product to be exported shall be verified through the presentation of a Certificate of Merchandise Circulation EUR-1.

In our country, the EUR-1 Certificate may be obtained at the Dominican Center for the Promotion of Exports (CEDOPEX).

The exporter should fill-out and duly sign the form. Once the form has been completed, it should be presented to the Dominican Center for the Promotion of Exportations (CEDOPEX), accompanied by the receipt and the bill of lading which corresponds to the products which are being exported. A native product has been met and to obtain certification.

Lastly, the Certificate will be presented to the customs authorities at the port of departure of the products, in order to obtain the official signature and stamp.

The National Free Zones Council, serves the Dominican exporter by making information available on the regulations, conditions and necessary requirements for utilizing and benefitting from the preferential system.