

## Minutes

### 5th Meeting of the European Union-Central America Sub-committee on Customs, Trade Facilitation and Rules of Origin

June 18th and 19th 2019  
Antigua Guatemala, Guatemala.

- Rules of origin

- (1) Conclude the revision of the Explanatory Notes regarding articles 15, 16, 19, 20 y 30 of Annex II.

In relation to Article 15 of the Explanatory Notes, the European Union (EU) proposed to define a procedure to avoid denial of preference when copies of the EUR.1 certificates have not been made available in CIRCABC. Central America (CA) noted that authorities needed legal certainty and agreed to examine the proposal from the EU.

The EU suggested the deletion of the draft explanatory note in relation with Article 19 pending finalization of the EU approach on this issue, while CA preferred the text be maintained. The Parties agreed that the EU would suggest an alternative text to clarify the use of packing lists for invoice declaration purposes.

The EU will circulate proposals on both issues by end September 2019.

- (2) Conclude the revision of the Product Specific Rules – update of the rules for Harmonized System (HS) 2012 and 2017.

The Parties discussed the wording of the recitals. The matter will be further discussed by the Coordinators of the EU-CA Association Agreement for resolution.

- (3) Cumulation:

- a) Notification to the Subcommittee of the Administrative Cooperation Agreements signed by a Central America country and other countries, according to Article 3, paragraph 8 of Annex II.

The countries of CA notified the following Administrative Cooperation Agreements signed with certain Andean countries:

El Salvador – Ecuador, Colombia.  
Costa Rica – Ecuador, Colombia.  
Guatemala – Ecuador, Colombia.  
Honduras – Ecuador, Colombia.  
Panamá – Colombia.  
Nicaragua – Ecuador.

- b) Information on the current state of the note signed by SIECA and SG CAN.

CA indicated that the letter confirming adequate administrative cooperation procedures, necessary for cumulation between CA countries and the Andean Community, will be signed between both Secretariats in June. A copy of it will be sent immediately to the EU, which will acknowledge receipt. An exchange of notes that confirms adequate administrative cooperation procedures would allow CA to conclude the process to effectively apply the cumulation mechanism between the CA countries and the Andean Community Countries.

- (4) Competent authority to grant the status of approved exporter and for verification of proofs of origin, established in Title I, General Provisions, Article 1 Definitions.

Nicaragua reminded the EU, and will confirm in writing, of the competent authorities responsible for issuing EUR.1 certificates and for verifications of proofs of origin. This information will be circulated to EU Member States.

Honduras will share with the EU information in relation to verifications on origin where there was a lack of communication between the Parties.

- (5) Interpretation on how to apply the 15% (tolerance level), established on the note 1 of the Appendix 2 A, for the products that are included in the heading ex 1604.

El Salvador reiterated the problem of not having a provision of accounting segregation in the Association Agreement to apply the tolerance in Note 1 of Appendix 2A Annex II.

The EU proposed to extend the quota on tuna loins to include canned tuna for an amount equivalent to the 15% tolerance.

CA will consider the proposal.

- (6) Origin quotas - Annex II, Appendix 2A.

The EU replied favorably to a request from Costa Rica to modify origin quotas on textiles. This topic will be reviewed in a broader context in the Market Access Subcommittee.

- (7) Issue of retrospective EUR.1 certificates – Article 16 of Annex II

The EU referred to problems, mostly with certificates from Costa Rica, where the date of the Bill of Lading is earlier than the date of the endorsement of the EUR.1. According to the EU, this could be interpreted as an element to indicate that the Movement Certificate EUR.1 was issued a posteriori.

The Parties indicated that the date of the Bill of Lading is not the determining factor for when actual exportation has been effected or insured.

Parties agreed to further analyze this matter in order to resolve it.

- *Customs Cooperation and Trade Facilitation:*

(8) Recent developments on Customs legislation and procedures in the EU.

The EU reported on the updating of its customs legislation and procedures, specifically the implementation and amendments of the European Union Customs Code (UCC), which came into force in 2016. Current efforts are largely focused on the deployment of IT systems foreseen under the UCC. The EU also informed CA on developments related to Authorized Economic Operators and e-commerce.

(9) Recent developments on Customs legislation and procedures in Central American Republics.

Central America reported on:

- The update of the "Código Aduanero Uniforme Centroamericano y su Reglamento" (CAUCA and RECAUCA).
- The negotiation on the approval of the "Reglamento sobre el Régimen de Tránsito Aduanero Internacional Terrestre".

Guatemala reported on the implementation and progress of the Customs Union with Honduras and the integration of El Salvador.

(10) EU's Free Trade Agreement (FTA) negotiations.

The EU provided an update on the status of its trade negotiations, with special emphasis on the countries of the Americas, which include:

- Provisional entry into force of the CETA agreement with Canada in September 2017;
- Modernisation of its agreement with Mexico, recently concluded and published on the Europa Website;
- Ongoing negotiations with MERCOSUR (Argentina, Brazil, Paraguay and Uruguay);
- Modernization of the Association agreement with Chile.

(11) Central America's FTA negotiations.

Guatemala reported on the completion of the negotiation of the textile and clothing sector bilaterally with Colombia, within the framework of the Free Trade Agreement between Guatemala, El Salvador, Honduras and Colombia.

Panama reported on its negotiation of a Free Trade Agreement with the People's Republic of China.

Honduras reported on its negotiation of the Partial Scope Agreement with Ecuador.

(12) Valuation at import.

The EU expressed concern about reports from certain EU exporters in relation with the approach to valuation from certain CA countries.

With the purpose of clarifying any situation that could affect the facilitation of trade, Guatemala invited the EU to share information on specific cases for further analysis by its National Valuation Committee, and expressed its availability to carry out a technical dialogue with the EU on questions regarding the application of valuation methods.

The EU welcomed this proposal and will share available information on cases in relation with Guatemala as well as other CA countries.

- *Article 304: Procedimientos Aduaneros.*

(13) Information on the current state of a single administrative document for customs declarations - DUCA (Article 304(3) of the Agreement)

Guatemala reported on the entry into force in CA of the “Declaración Única Centroamericana” (DUCA) on May 7, 2019, allowing CA to fully meet the commitment related to Article 304 numeral 3 of the Agreement.

- *Any Other Business*

(14) Updates of contact points for mutual administrative assistance.

Contact points were exchanged by the Parties.

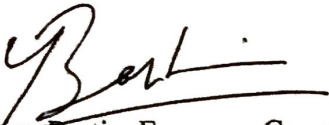
(15) Panama request to address some bilateral issues with the EU.

Panama raised some difficulties it faces when goods originating from the EU, that are stored under control by customs authorities in Panama, are later sent to other Latin American countries with whom the EU has trade agreements. The EU will provide further clarification in writing.


(16) Accounting Segregation and Non-alteration.

The EU mentioned that these two measures should be under consideration in any future update of the Association Agreement.

For the European Union



Lilian Bertin, European Commission



Gary Wilkinson, European Commission

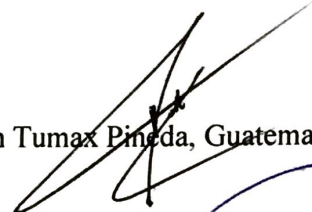
For Central America



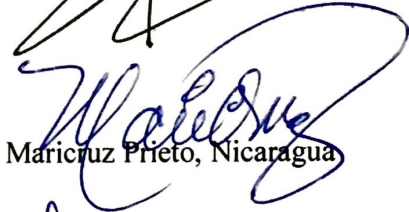
Isabel Hernandez, Costa Rica



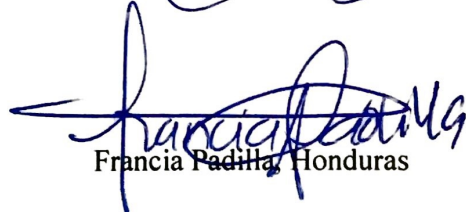
Ernestina Renderos, El Salvador



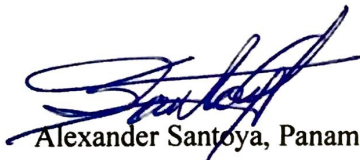
Marlon Tumax Pineda, Guatemala



Maricruz Prieto, Nicaragua



Francia Padilla, Honduras



Alexander Santoya, Panamá