

GENERAL AGREEMENT ON

TARIFFS AND TRADE

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REGARDING NOTIFICATION, CONSULTATION,
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Communication from Zaïre

The attached document, entitled "Memorandum on the foreign-trade régime and trade policy instruments of Zaïre", has been received by the Secretariat from the Government of Zaïre with the request that it be circulated to contracting parties for their information.

¹This document has also to be taken into consideration in the context of the renegotiation of the Schedule of tariff concessions of Zaïre under Article XXVIII (see document SECRET/332 and Add.1).

ANNEX

MEMORANDUM ON THE FOREIGN-TRADE REGIME AND
TRADE POLICY INSTRUMENTS OF ZAIRE

I. TRADE POLICY REGIME OF ZAIRE

1.1 GENERAL PRINCIPLE

- 1.1.1 Zaïre's foreign-trade régime is based on the fundamental principle of trade freedom and equality.
- 1.1.2 The central principle of this policy is therefore the absence of any discrimination or differential treatment in economic, trade, tax and maritime regulations.
- 1.1.3 As far as customs duties are concerned, import tariffs do not discriminate according to country of origin.
- 1.1.4 Tariff rates range from 15 to 50 per cent, with a special rate of 5 per cent for certain types of equipment.
- 1.1.5 The turnover tax rate ranges from 0 to 20 per cent.

II. TRADE POLICY INSTRUMENTS

2.1 CUSTOMS TARIFF

2.1.1. Tariff nomenclature

A six-digit nomenclature based on the HS.

2.1.2 Tariff structure

A two-column schedule comprising the import duty and the turnover tax (CCA) or consumption duty (DC).

2.1.3 Duty rates

2.1.3.1 Import duties are rationally structured:

- (a) 5 per cent on heavy capital goods;
- (b) 15 per cent on:
 - all goods intended, by their nature, for agriculture, livestock or fisheries;
 - goods intended to be processed in Zaïre, provided Zaïre does not produce similar or substitute goods;
 - petroleum products.

(c) 20 to 50 per cent on other goods.

2.1.3.2 The rate of turnover tax on imports is 20 per cent, but many goods pay a rate of 3 per cent, namely:

(a) certain staple foodstuffs;

(b) goods intended to be processed in Zaïre, even if similar or substitute goods are produced locally;

(c) components and spare parts.

2.2 IMPORT REGIME

2.2.1 Licences and quantitative restrictions

2.2.1.1 There is no import prohibition on specific goods, with the exception (needless to say) of restrictions concerning public safety, animal and plant health and public morals.

2.2.1.2 Licences are required for the importation of petroleum products, radioactive chemical elements and articles made of combustible substances.

2.2.1.3 Special authorization from a designated Ministry is required to import certain products (see Bank of Zaïre Circular No. 207 of 10 November 1983).

2.2.1.4 Protection of the economy is provided exclusively by import tariffs.

2.3 ADDITIONAL CHARGES OF A FISCAL NATURE

2.3.1 The consumption duty which replaces the turnover tax on alcoholic beverages, mineral water, petroleum products, perfume, tobacco and salt.

2.3.2 This tax is levied at specific rates as set out in Order No. 83,030 of 12 September 1983.

2.4 FEEES FOR THE PROVISION OF SERVICES

Fee payable to the Zaïre Inspection Office (OZAC): 1.25 per cent on all products subject to pre-shipment inspection.

2.5 SPECIAL ENTRY FORMALITIES

2.5.1 Pre-shipment inspection of the invoice price, quantity and quality of goods carried out by the foreign correspondents of the Zaïre Inspection Office or by the Société Générale de Surveillance in Geneva, Switzerland.

- 2.5.2 This formality does not apply to imports of an f.o.b. value below 1,000 SDRs.

2.6 SINGLE CHANNEL FOR IMPORTS AND MANDATORY NATIONAL SERVICES

- 2.6.1 Mandatory national insurance for all imports.
2.6.2 Mandatory use of national means of transport.

2.7 INVESTMENT CODE

- 2.7.1 A new Investment Code entered into force in Zaïre on 5 April 1986.
- 2.7.2 Its provisions are aimed at:
- (a) encouraging investment either for the creation of new enterprises or for the expansion and modernization of existing enterprises, so as to contribute to the country's economic development by providing suitable exemptions designed to alleviate the charges borne by such enterprises and their developers during the first years of operation of the new plant;
 - (b) encouraging the raising of national financial resources and their channelling towards productive investment;
 - (c) encouraging foreign investment in Zaïre through the grant of specific guarantees on the retransfer of funds.
- 2.7.3 As far as tax advantages are concerned, the Code provides for two different régimes according to the value and the spillover effects of the planned investment.
- 2.7.4 In both cases, however, total exemption from import duties and the turnover tax is provided for tools, machinery and equipment.

2.8 MONETARY AND FINANCIAL MEASURES

- 2.8.1 A deposit prior to import of 50 per cent of the transaction value (in local currency) is required at the time of the opening of the letter of credit.
- 2.8.2 Prior consent of the Bank of Zaïre is required for imports of products subject to the licensing régime, imports by air if the cost of transport exceeds 20 per cent of the f.o.b. value, imports for which a deposit in foreign exchange must be paid prior to shipment, as well as imports financed by foreign funds (grants, suppliers' credits, and so forth).