

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

Date: 9/8/2016

GAIN Report Number:

Dominican Republic

Post: Santo Domingo

U.S. Product Transshipped via Canada Detained

Report Categories:

Trade Policy Incident Report

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Report Highlights:

To be eligible for DR-CAFTA preferential duties for U.S. product transshipped via Canada, DR customs is requiring that an A8A Cargo Control Document issued by the Canada Border Services Agency accompany all such shipments. However, the A8A is difficult if not impossible to obtain, and several U.S. shipments have been detained at Port in the DR.

General Information:

SUMMARY

On 25 August, the Dominican Republic's (DR) Director General for Customs issued an internal memo stating that in order to comply with DR-CAFTA, Article 4.12, related to Rules of Origin, imported products transshipped via Canada must present an A8A Form, issued and stamped by Canada Border Services Agency (CBSA), in order for the goods in question to be imported under DR-CAFTA preferential duties. The memo goes on to state that this "Cargo Control Document" constitutes evidential support for the fact that the goods were not manipulated or otherwise altered while transiting Canada. The memo concludes by saying that the A8A form must be validated by DR Customs' Rules of Origin Department.

BACKGROUND

DR-CAFTA Article 4.12 states:

Article 4.12: Transit and Transshipment

Each Party shall provide that a good shall not be considered to be an originating good if the good:

(a) Undergoes subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a Party; or

(b) Does not remain under the control of customs authorities in the territory of a non- Party.

It is DR Customs' position that the A8A form is required for the product to comply with (b) above. Specifically, the importer must present an original A8A form, issued and stamped by CBSA, to demonstrate that the Customs Authority in Canada had control of the product at all time, and that the product did not undergo any subsequent transformation while in transit via Canada. DR Customs will not accept any other third party certification; only a CBSA A8A form.

U.S. GOODS DETAINED

However, U.S. exporters have reported that they cannot obtain an A8A form, particularly for railed products. It is quite common for U.S. commodities from the upper Midwest to be transshipped via Canada, so the A8A form requirement has caused several shipments to be detained at port. This has been particularly true of U.S. beans and peas shipped out of Minnesota and North Dakota to the DR via Canada. Even before DR Customs issued the August 25th Circular on the need for the A8A form, Customs officials had been asking for it. Post first heard reports of beans being detained for lack of A8A in mid-July 2016. To get the goods released, importers have to pay the full, non-DR-CAFTA, import duty.

POST's ACTION

On August 25th, Post met with Head of the Rules of Origin at DR customs to register concerns about the detained shipments being required to pay the full import duty rate, and also to inform them that the A8A form is difficult, if not impossible, to obtain from CBSA. The Customs office responded that they will

consider our concerns and provide a response. As of September 8, post had not received a response from Customs.

Post has also talked with representatives from the Canadian Embassy in Santo Domingo to seek clarification on CBSA's procedures for issuing the A8A form, and how U.S. exporters can obtain it. The Canadian Embassy has sought assistance on this from their CBSA headquarters, and will inform us when they have information.

Post has been working with the U.S. Dry Bean Council and U.S. exporters to collect information and to seek a remedy to this problem. Unfortunately, to date, DR Customs has been unyielding on the A8A requirement.