

Customs Guide

Customs Project and Business Environment that Promote Commerce and Investment

First Edition 2008

Document prepared with Booz Allen Hamilton's support for the use of the United States Agency for the International Development (USAID).

RESPONSIBILITY

"The opinions expressed in this publication do not necessarily reflect the opinions of the United States Agency for the International Development or the United States Government".

USAID Program of Customs Project and Business Environment that Promote Commerce and Investment CUSTOMS GUIDE EL SALVADOR

ABBREVIATIONS

USAID Program Customs and Business Climate to Promote Trade and Investment EL
SALVADOR CUSTOMS GUIDE
USAID, June 2008

| | |
|----------------------|--|
| CAFTA | Treaty of Free Centro-American Trade |
| CAUCA | Central-American Uniform Customs Code |
| CIF | Cost Insurance and Freight |
| DDP | Delivery of Paid Rights |
| DGA | Customs General Directorate |
| Ex Works, Ex Factory | In Factory |
| FAUCA | Central-American Customs Unique Form |
| FOB | Free On Board |
| GATT | General Agreement over Trade and Customs Duties |
| LEPSIA | Special Law to Sanction Customs Infractions |
| NIT | Tax identification Number |
| OMA | World Customs Organization |
| OMC | World Trade Organization |
| RECAUCA | Regulation of the Centro-American Uniform Customs Code |
| SAC | Centro-American Harmonized System |

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I. Presentation

This document has been created by the El Salvador Customs General Directorate with the support of the United States Agency for the International Development (USAID), to supply a useful tool and the orientation for the users of the services that the El Salvador Custom's supplies, whether they are natural or juridical people that are dedicated to the customs job, as well as all the general public and including for academic means.

In the elaboration of this guide a logical and orderly structure was defined following the operations criteria, using a colloquial language in detriment of the legal concepts that are treated in it, reason why the reader will be able to find the main information and figures of the El Salvador custom system in a dynamic and pleasant manner.

The guide deals with customs' themes in an indicative manner, without getting to be a legal language, binding or creating formal procedures in custom's matters. The majority of the customs' themes rise from the legal frame in effect, such as: custom clearance, regimes, procedures, taxes, value in customs, tariff classification, means of challenge, consult mechanisms, up to the comparative analysis of the regional legislation with the national legislation, among other themes.

For the elaboration of this document, it was used the information gathered among the personnel of the involved customs in each theme developed, through a Team Work for the Elaboration of the Custom Guide, which was constituted by officials of each of the units and/or departments of the Customs General Directorate, and consultants of the United States Agency for the International Development.

The elaboration of this guide, contributes with the Transparency Principle in the foreign trade operations, since the customs' users are better informed of the regimes and clearance process formalities, they will be able to do their transactions efficiently, directly interact with the Custom and hence contribute in guarantying giving a service that satisfy the users' expectations and those of the customs' authorities, always attending the facilitation dynamic and control of the international commerce of merchandise.

This guide is ample in its content, and it must emphasize that the same is of merely informative nature, with the exclusive means of orientation and does not create rights nor obligations, given its content is not binding; reason why it is recommended that if the reader feels it convenient, may remit to the legislation and ruling related with the themes turn on it, with the means to reunite and complement information with a higher detail in terminology and legal nature.

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FOR MORE INFORMATION

- Customs' Web Page: www.mh.gob.sv
- Central telephone: (503) 2244-5000
- Customer Service: e-mail address: usuario.dga@mh.gob.sv
- Telephone: (503) 2244-5182 User's Attention Unit
- Customs General Directorate: Km. 11½ , Carretera Panamericana, San Bartolo, Ilopongo, Departamento de San Salvador

II. Introduction to the El Salvador Customs Service

2.1. Customs General Directorate

History of the Customs General Directorate

The El Salvador Customs General Directorate (DGA), was created by Legislative Decree No. 43, on May 7, 1936, published on the Official Gazette No. 104, Book 120, of that same month and year.

The DGA, is one dependency of the Ministry of Finance, and has the responsibility to guarantee the compliance of the laws and regulations that regulate the international merchandise traffic. It is directed by a General Director.



The organizational structure of the DGA, was established through the Functional Organizational Ruling, dictated by Executive Decree No. 44, on May 18, 1994 and published on the Official Gazette No. 108, Book 323, on June 10 of that same year. This Regulation was modified, by Executive Decree No. 114, on October 12, 1998. Likewise, it is regulated through the new Customs' Organic Law (2006).

Through the Functional Organic Regulation, the General Director is authorized to dictate the necessary norms in order to develop or re-structure the internal organization of the Customs General Directorate with the ends of allowing the institution to re-educate its functional organizational structure, integrated by three levels: Directive, Executive and Operative.

The DGA maintains a constant modernization of its systems, answering to the international demands on custom matters, foreign trade and quality service assurance; as well as the

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accelerated dynamic of the international trade within the framework of the globalization of the economies in a providing and transparent scope with direct and indirect users that wish to consult it.

The evolution of the customs service in El Salvador has been closely tied to the way in which the country's economy has changed, depending up to a certain level to the prevailing economical tendency.

A first stage in our economic activity covered the period from 1950 to 1980, during which the functions of the Customs pursued purposes almost exclusively reinters, which helped make it one of the most important collecting sources of the Salvadoran State.

From the 1990's the modernization of the custom tax administration began, answering to the world economy globalization process. In this scope a certified quality system was established in the DGA, which pursues a continuous improvement of the customs services.

2.1.1 Vision, Mission, Values and Objectives

Vision

Being a model of public institution in the provision of customs services with excellence, committed to the development of the country, ensuring a balance between facilitation and control of International Trade.

Mission

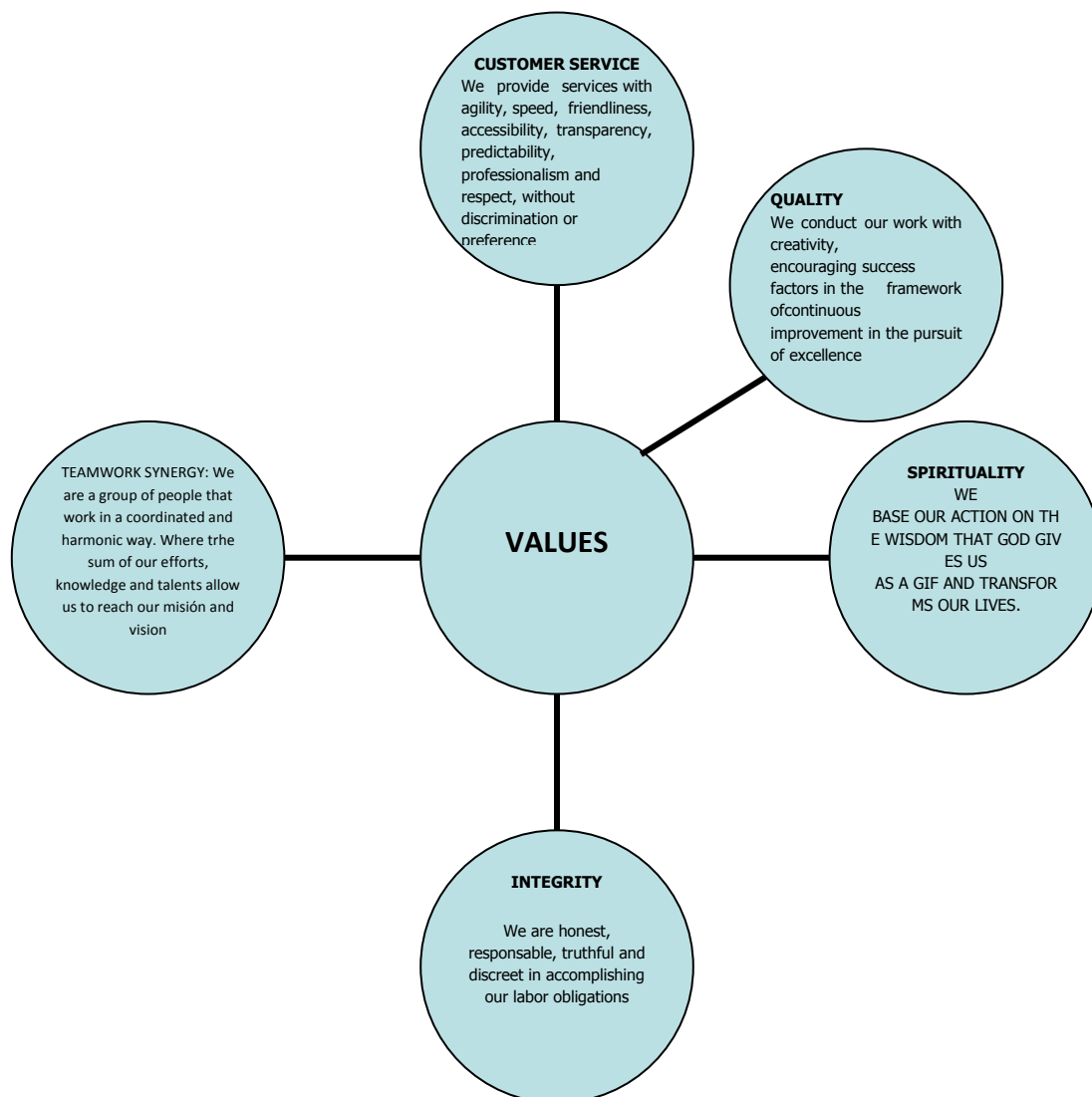
Providing customers with the best customs services with quality, agility and speed, meeting the existing regulatory framework, with a professional, committed, ethical and responsible, incorporating their daily best practices emanating from international organizations and Customs world record

Objectives

1. Generate **transparent information** about the imports and exports of merchandise.
2. Eliminate the **tax evasion**, conducting the correct application of the customs legislation; and corroborating that the users of the services provided by the DGA, execute their operations within the legal framework established.
3. Improve the systematization of the customs processes.
4. Contribute with the **counterfeit fight**, through the programming of verification and fiscal control plans.

5. Improve the perception of the services provided by the DGA, supplying **better attention** with less waiting and response time, which allows reducing the complaints and dissatisfactions.
6. Increase the **efficiency in management**, accomplishing the reduction of clearance process times.
7. Improve the **organizational climate** of the Customs General Directorate.

Values





Organigrama con base en Acuerdo No.1 de fecha 03 de enero de 2011,

Customer Care Unit and Monitoring Claims

Planning Unit and Quality Management Risk Management Unit

SUBDIRECTORADO GENERAL

Department of Origin Tariff Department Valuation Department Department of Laboratory

Department of Origin, Training Department, Validation Department, Department of Laboratory, Department of Fieldwork

Department of Technology Department of Technology Support and

| Topic | Department of Innovation and Information Technology | Technology Management |
|---|---|---|
| 1. Introduction to the Department of Innovation and Information Technology | 1.1. History and Mission of the Department | 1.2. Current Initiatives and Projects |
| 2. Overview of the Department of Innovation and Information Technology | 2.1. Organizational Structure and Key Personnel | 2.2. Key Performance Indicators and Metrics |
| 3. Detailed Analysis of the Department of Innovation and Information Technology | 3.1. Financial Performance and Budgetary Control | 3.2. Human Resource Management and Talent Development |
| 4. Strategic Planning and Implementation of the Department of Innovation and Information Technology | 4.1. Long-term Vision and Strategic Goals | 4.2. Short-term Objectives and Action Plans |
| 5. Case Studies and Best Practices of the Department of Innovation and Information Technology | 5.1. Successful Projects and Initiatives | 5.2. Challenges and Solutions |
| 6. Future Outlook and Recommendations for the Department of Innovation and Information Technology | 6.1. Emerging Trends and Opportunities | 6.2. Recommendations for Improvement |

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OPERATIONS DIVISION

Operations Management Unit, Internal Coordination of Customs, Customs Border Coordination, Coordination of delegation of Customs Free Zone.

Internal Customs: Inland San Bartolo, El Salvador's Airport, Santa Ana, Bales PostalCutuco Maritime Port, Maritime Acajutla, delegations of Customs: Center for Import and Export Procedures (CIEX EL SALVADOR) BODESA, AGDOSA Resume, ALDESA, Airport Ilopango, Puerto Barillas, international stores. Temporary Storage: DHL,Transauto, The Rock, SERVILOGICA, ALMACONSA, AGD AGDOSA Resume,Resume AGDOSA AGD, Almacenadora Nejapa.

Customs Border: San Cristobal Land Customs, Customs Anguiatú Land, The LandCustoms Hachadura, Customs Land El Poy, Chinamas The Land Customs, LandCustoms Amatillo.

Customs Delegations: El Pedregal, International, Miramar, Santo Tomas, San Marcos,Santa Tecla, Exportsalva Park Service, Pipil, American Park, San Bartolo, Santa Ana,La Concordia, Calvo Preserves, Diez, SAM-Li Industrial Park, San Jose, Las Mercedes.

ADMINISTRATIVE DIVISION

Resources Management Department, Department General Services Department Auction.

AUDIT DIVISION

Assessment Coordination Commodity Classification Tariff Coordination, Coordination of Special Schemes.

LEGAL DIVISION

Department of Legal Procedures, Procedures and Records Department

Organization

2.2. Functions of the Main Organizational Entities that Form the Customs General Directorate

Customs General Directorate

The Customs General Directorate is an independent Technical Agency attached to the Ministry of Finance, which possesses a superior hierarchy in Customs' matters; controls and facilitates

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the compliance of the branch's legislations and acts to prevent and reprimand customs infractions.

The functions of the Customs General Directorate include, besides the administration of taxes levied on the import, control of different customs procedures; and released the consultation, criteria or anticipated resolutions, guidelines and rules of general application on customs matters within its competence.

The Customs General Directorate is also a facilitator of the international trade, interacts with users through their joint committees in which examines the private sector needs and reacts within the framework of the law for solving the gaps.

To assure the compliance of its functions the Customs General Directorate is structured in different areas.

The Customs General Director

The Director General of Customs is the professional with proven experience in customs matters, appointed by executive agreement of the Ministry of Finance.

Among its duties are: the constant evaluation of the quality of the customs service and the presentation of projects to update and improve function and structure of the Directorate and its dependencies. The Director shall issue, coordinates and controls the policies, rules and provisions governing customs work.

The Director General of Customs ensures: compliance with the budgetary policy of Ministry of Finance concerning the budget of the Department, compliance with customs laws and foreign trade of work and reports to the General Directorate of the Ministry of Finance. It also maintains ongoing communication with users analyzes and follows up the requests that come in a framework of legality and transparency executive.

The Customs General Sub-Director

It is a professional with full legal and professional capabilities to support and take, in the absence, the functions of the Customs General Director. The Customs General Sub-Director is appointed by executive accordance of the Ministry of Finance; and his duties are to support, implementation, administrative management and monitoring of customs operations; and all related to staff continuous improvement, appointment, training, transfers and sanctions where appropriate.

The General Sub-Director also supervises the publication of applicable laws and public documents, or criteria and advance resolutions issued by the Directorate. The Sub-Director actively participates in joint committees with the private sector and is a catalyst for information and its management reports also include proposals for improvements and changes to be considered by the General Director.

Unit of Customer Attention and Complaints Follow-Up

Verifies that the customer service policy is present at all levels of the General Directorate, with means to make prevail the rights and obligations of the custom service users, respecting the current legal rules; as well as to give prompt attention and solve in conjunction with the different organizational units of the General Directorate, the complaints and denunciations introduced by the clients. Likewise, its function includes providing information on the customs tasks and the publication of the information on the Customs Web page (www.mh.gob.sv).

Quality Management Unit

It guarantees the maintenance and improvement of the Institution's Quality Management System, evaluating the efficiency and effectiveness of the processes.

Risk Management Unit

The Risk Management Unit (UGR) previously known as UPET (Tax Programming and Evaluation Unit) is the General Directorate area in charge of the organization statistical data and the administration of the risks related to the customs operations in all of its stages. It is formed by a Chief and a group of specialists multidisciplinary with experience in the different aspects of the customs clearance process, such as operation, audit and rules, among others. It is considered the Direction's analytical area.

Legal Division

It supplies legal technical support to the General Directorate, evacuating cases that require legal analysis. Likewise, conducts studies and law project creation works, reforms and origin of the customs legislation; also contributes with the compliance of the established rules in the free trade treaties introduced by our country, for which it counts with the following departments:

- **Legal Procedures Department:** Processes and acknowledges the Administrative Procedures Sanctions and Diligently Settlement of Taxes in cases of Post-checking. Likewise,

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knows and processes the resources of the law in the administrative and legal field, instructed against the General Directorate; and responds to requests from external and internal users.

- **Processes and Registry Department:** Knows and responds to request from external and internal users; and supplies legal counseling on the customs legislation and of foreign trade, in cases assigned by the General Directorate and Sub-Directorate and all other dependencies of the Customs Service that require it.

Technical Division

Conducts studies and works oriented to the application, control and improvement of the Laws, procedures and other dispositions related to the customs daily tasks. It is divided into the following departments:

- **Tariff Department:** Establishes guidelines to permit proper and timely implementation of the tariff, in order to harmonize the coding and taxation of goods.
- **Origin Department:** Its management is directed to comply with the rules of origin set out in the various free trade agreements signed by El Salvador and Central American Regulations on the Origin of Goods. The Department contributes to the different origin to ensure compliance with Customs rules of origin of imported products within the framework of free trade.
- **Valuation Department:** Prepares studies on valuation of goods at the request of external users and the different departments of the Directorate-General, as well as other external institutions.
- **Lab Department:** Product field analysis performed to determine the constituent material of the goods subject to consultation, acting as technical support to internal drives that request
- **General File Department:** It deals with collecting, preserving, organizing, digitizing and certify the documents generated by the Directorate General of Customs.

Tax Division

Check to subsequent compliance with the provisions of customs legislation in force, by the different users involved in foreign trade. This is done through tax audits in companies of different sectors involved in the importation of goods; addition Registration Supervision and Control of special regimes, from which is obtained, determine, determine, control and administer verify compliance with formal obligations to users of Free Zones for Inward Deposits, International Services and Tourism, so and also check the balance due on

goods stored in different warehouses; is divided into the following coordinates: Special Diet Coordination, Valuation Coordination, Coordination Tariff Classification.

Operations Division

This Division manages the operation of the customs legislation and law enforcement in the different customs of the country. Coordinates the implementation of procedures to facilitate clearance, review and tax collection for the import and export of goods, and activities to facilitate international traffic, achieving efficiency in the customs control. It has 3 Region Coordination, which in turn are made up of groups and delegations of Customs Customs.

Administrative Division

It administers the Customs General Directorate Human, Materials and Financials Resources. It is formed by three Departments:

- **General Services Department:** Provides supplies, maintenance and transportation to the different areas of the DGA.
- **Resources Management Department:** Provides and administers the fixed assets and intangible, the human resource and circulating funds of the different organizational units of the Customs General Directorate.
- **Auctions Department:** Sells through public auctions the merchandise that has legally fallen in abandonment, available for it.

Improvement Division

It directs and coordinates de elaboration, development and implementation of institutional projects, improving the computer infrastructure; as well as the maintenance of the computer and communication systems, in order to accomplish a better effectiveness in the daily customs tasks. It is formed by the following departments:

- **Technology Department:** Develops and administers the Computer Systems and its applications.
- **Technical and Telecommunications Support Department:** Administers the institutional Telecommunications System, provides the needed maintenance to avoid interruptions and guaranteeing a permanent information flow. Also, supplies the preventive and corrective maintenance of the computer equipments.

2.2.1. Customs Distribution and Customs Stations

The Customs and Customs Ports are located throughout the national territory. Jurisdiction is the name of the section of the territory in El Salvador of which each custom has control.

The customs are classified according to the place in which they are located; besides of those indicated as Customs Delegations in Free Trade Zones; and Temporary Warehousing and General Flock for Warehousing.

Note: The schedule, telephones and addresses of these customs can be found in the annexes of this guide.

<http://www.mh.gob.sv/portal/page/portal/PMH/Contactenos/Oficinas#fronteras>

When the foreign merchandises go through transit towards another country or are transported to a Customs Warehouse or Free Zone, they can only travel through the Authorized Fiscal Routes for these transportations as recognized by the Customs General Directorate.

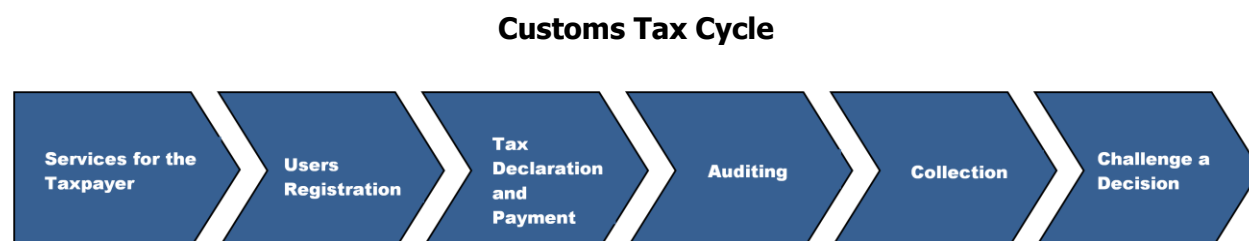
If the merchandise/s is transported through other, non-authorized routes, it is possible for the Customs Authority to confiscate the cargo and sanctions the importer or carrier.

FISCAL ROUTES AND JURISDICTIONAL CUSTOMS



2.2.2. The Customs Tax Cycle

The Customs Tax Cycle is formed by the services and functions that the State has to comply in order to be able to collect control and manage its relation with the taxpayer (who must pay their taxes) within a transparent and easy frame.



1. **Services for the Taxpayer.** Involves providing services, orientation and assistance to the customs users, in a professional, whole, transparent manners and with quality; the use of electronic media as the internet and the publication of the procedures, requirements, forms and processes so that the user can comply with the payment of their obligations.
2. **Users Registration.** El Salvador requires to have updated registries or censuses, which allow it to have control over the imports and exports and of the operations. With this registry, custom identifies the deponents and their relevant information as address, telephones, warehouses, etc.
3. **Custom's Tax Declarations and Payment.** El Salvador applies the self-determination or self-liquidation principle in the customs subject. This means that the own deponent (importer or its representative), calculates the base and tax quantity to pay for importing merchandises, and the Customs complies with the payment verification and other formalities of the customs clearance process.
4. **Auditing.** The Custom, using its proving faculties, verifies and controls the compliance of the customs obligations. This auditing takes place before, during or after clearance.
5. **Collecting.** When the custom authority determines that it has a credit or a fiscal owed to its favor, caused by a non-compliance or error from the deponent in the foreign trade operations, may begin the collection of the credit according to the legal dispositions established.
6. **Ways to Challenge a Decision.** Are the resources or possibilities that the taxpayer has to manifest its nonconformity with the acts issued by the authority. The resources may be dictated against or in favor of the taxpayer.

2.2.3. Legal Framework

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The foreign trade legal frame of the El Salvador Republic is part of the *Salvadorian Legal System* that gathers a group of norms and principles of national and international rights related within them. Its objective is to regulate directly or indirectly the merchandise, services and capitals exchange between the El Salvador and the international or regional markets, as well as the border crossing of the people.

The main source of the national foreign trade and customs legislation is in the Constitution of the El Salvador Republic. Nevertheless, this legislation is complemented with diverse regional and international legal instruments endorsed by El Salvador.

2.2.4. National Customs Legislation

The main ordinances that form this national custom legislation are the following:

- **Customs Simplification Law**

Approved through Legislative Decree No. 529, dated January 13, 1999, published on the Official Gazette No. 23, Book No. 342, dated February of the same year. This law simplifies the customs procedures allowing the merchandise clearance process, through the use of the information technology systems for the information exchange for authorizing the customs procedures between the trade operators and the El Salvador Customs Service. Likewise, establishes control faculties for the Customs Services to run an effective surveillance of the customs operations and count with the formalities to notify the results of the audits conducted, complementing the sanctioning procedures established by the Special Law for Sanctioning Customs Infractions.

- **Special Law for Sanctioning Customs Infractions**

Approved through Legislative Decree No. 551, dated September 20, 2001, published on the Official Gazette No. 2004, Book No. 353, dated October 29 of the same year. It defines and classifies the customs infractions in: administrative, tax and legal; and establishes the sanctions for each of them. Likewise, describes the procedure that must apply when the existence of some infraction is determined and the authority to whom competes to impose the sanction; as well as the defense means to which there is the right to call the alleged offender when it disagrees with the results from the Custom Service Authorities.

- **Importers Registry Law**

Approved through Legislative Decree No. 224, dated December 14, 2000, published on the Official Gazette No. 241, Book No. 349, dated December 22 of the same year. It establishes the obligation for the natural or juridical people due their merchandises import operations to

be registered, in order to inform its identity, activities and establishments. According to the law, it is the obligation of all natural or juridical people to registry as importer when they would be importing merchandises that exceed US\$1,000.

- **Baggage of Travelers from Abroad Law and its Regulation**

This Law was approved by Legislative Decree No. 680, dated October 20, 1993, published on the Official Gazette No. 6, Book No. 322, dated January 10, 1994; and its Regulation was approved by Executive Decree No. 14, dated February 3, 1994, published on the Official Gazette No. 322, dated February 21 of the same year. The Law and its Regulation determine the goods that the traveler may bring into the national territory as baggage with exemption of rights and taxes; being able to also introduce in franchise those new goods whose value in customs is not over US\$1,000. Likewise, this Law establishes exemptions to diplomatic officials and other organism, on their personal effects; as well as households of the Salvadorian repatriated that have lived in foreign countries three or more years and which C.I.F. values in custom (which includes the cost of the household plus the insurance and carriers) does not exceed the equivalent to US\$15,000.

- **Free Industrial and Commercial Zones Law**

Approved by Legislative Decree No. 405, dated September 3, 1998, published in Official Gazette No. 176 Volume No. 340, 23 September same year. This Act is to regulate the operation of Free Zones and Deposits for inward as well as the benefits and responsibilities of owners of companies that develop, manage or use the same, and given the strategic importance of the FTZ regimes for the national economy to generate productive employment and generating foreign exchange, is necessary to create optimal conditions of competitiveness in all operations carried out by companies operating under the scheme.

- **Customs Regime for Free Shops Law**

Approved by Legislative Decree No. 373, dated April 5, 2001, published on the Official Gazette No. 81, Book No. 351, dated May 2 of the same year. This law establishes the faculty that the Customs General Directorate has to authorize natural and juridical people, prior to the compliance of the requirements to operate and function as commercial establishments under the Customs Regime for Free Shops (also known as duty free), who may introduce merchandises to these establishments free of tax rights, exclusively destined for the sale to the travelers that go out or come into the country through air ways.

- **Storage Law**

Approved by Legislative Decree No. 638, dated November 29, 1990, published on the Official Gazette No. 285, Book No. 309, dated December 19 of the same year. Under this

law, the merchandise entering the temporary storage administered by the Republic's Customs enjoy, before being subjected to the clearance process. Moreover, the Law highlights the causes that would proceed to suspend storage charge. As for the merchandises that go into the temporary storage administered by other public or private institutions, they are who establish and determine the prices for supplying the service.

2.2.5. Regional Legislation

- The customs and foreign trade regional legislation, as the legislation for national matter, is also characterized by being dynamic and broad, since it covers themes that go from the exchange principles and exemptions of goods, services, capitals and even aspects related with the border cross of people. In customs matter, the emphasis is on the following instruments related with the exchange of merchandise in the region:
- **Central-American Agreement on Customs and Tax Regime**
The Central-American Agreement on Customs and Tax Regime, was endorsed by the Republics of Guatemala, El Salvador, Nicaragua and Costa Rica, on December 14, 1984; and it was Ratified by the Legislative Assembly of El Salvador on December 17 of the same year, published on the Official Gazette No. 16, Book No. 286, dated January 23, 1985. The content of this Agreement is constituted by the Central-American Tariff, formed by the tariff rights issues of the Annex "A"; the Central-American Legislation on Customs Value of the Merchandises, of the Annex "B"¹ and its Regulation; the Central-American Uniform Customs Code and its Regulation; and the decisions and other tariff and customs common dispositions that would derive from this Agreement.

2.2.6. Central-American Uniform Customs Code (CAUCA) and its Regulation (RECAUCA)

The CAUCA was endorsed by the five Central-American states on December 13, 1963 and it was modified through the Resolution No. 85-2002 of the Central-American Tariff and Customs Council on June 19, 2002, published on the Official Gazette No. 18, Book 356 of July 11, 2002; and the RECAUCA was adopted through the Resolution No. 101-2002 of the Central-American Tariff and Customs Council, published on the Official Gazette No. 5, Book No. 358 of January 10, 2003. Both documents establish the basic custom legislation of the signatory countries, regarding the Customs Service faculties, Auxiliaries of the Customs

¹ The Annex B was left without effect through the protocol due to the coming into force of the Agreement Relative to the Application of the article VII of the General Agreement of Customs Tariff and Trade of 1994.

Public Function; Customs Obligations; Customs Regimes; Payment and Disposition Forms of Merchandises; as well as some dispositions related to the Customs Infractions and Resources.

- **Central-American Regulation on the Origin of the Merchandises**

This Regulation was approved through the Resolution No. 156-2006 of the Economical Integration Ministries Council on June 7, 2006, published on the Official Gazette No. 126, Book No. 372, dated July 7 of the same year. It contains the legal bases for determining and other procedures related with the origin of the merchandises; as well as, the obligations of the importers and exporters of certifying the origin of the merchandises from the five countries of the central-american area. To certify that a merchandise is from one country outside of the central-american area, with which El Salvador has endorsed Free Trade Treaties, it must submit to the regulated by them.

- **Regulation On the Customs International Terrestrial Transit Regime**

Regulation approved through the Resolution No. 61-2000 of the Economical Integration Ministries Council, dated September 27, 2000, published on the Official Gazette No. 189, Book No. 349 of October 10 of the same year; and it was modified by the Resolution 65-2001 COMRIEDRE dated March 16, 2001. This document establishes the procedures that must be applied in the international transit customs operations done by land; as well as the obligations and responsibilities that the carriers are subjected to. Also, it has as annexes the Declaration for the International Terrestrial Transit Customs Form and Instructive for filling it.

- **Central-American Regulation On the Customs Valuation of Merchandises**

Approved by Resolution No. 115-2004 of the Economical Integration of Ministries Council dated June 8, 2004 and published on the Official Gazette No. 140, Book No. 364 of June 28, 2004. It develops the Agreement's dispositions relating the application of article VII of the General Agreement of Customs Tariff and Trade of 1994, for the determination of the merchandise's value when imported or brought into the Central-American Customs Territory.

2.3. Auxiliaries to the Public Function

2.3.1. General Concept

In compliance with the legislation in force, the Auxiliaries of the Customs Public Function are natural (physical) or juridical (businesses) people, public or private rightfully

registered in the Customs General Directorate, who are in charge of executing on their own behalf or on behalf of the importers and exporters, the customs operations and procedures before the Customs National Service.

When the adequate system's conditions are available, the auxiliaries would have to transmit the procedures and operations natural to their formalities, in the security means, forms and conditions established as determined guidelines by the El Salvador Customs Service.

2.3.2. Customs Agents

Custom Agent: This Auxiliary is the professional on custom matter, whose authorization is personal and nontransferable, acts as legal representative before the customs authority his/her mandate (client).

The Agent is a supportive responsible before customs and his/her mandate (client) for the derived acts of his/her professional exercise.

The customs agents are rightfully accredited by the Customs General Directorate and their intervention may be optional in importers done under the following conditions:

- Government and dependencies, municipalities, autonomous and semi-autonomous institutions;
- Covered by the Central-American Customs Unique Form (FAUCA);
- Small dispatches without commercial nature;
- Covered by the international postal system;
- Presented by businesses of fast delivery or "Courier";
- Entered as baggage;
- Exportations;
- Presented by special empowered juridical people.

2.3.3. Customs Representatives

Custom Special Representative: Is the natural (physical) person, to whom a person (physical) or juridical (business), has appointed, through a special legal power, the representation before the Customs General Directorate. The Customs Special Representative must have been accredited and registered before the Customs General Directorate. His/her function is to represent a specific business exclusively, in the merchandise dispatches that are

found at his/her name before the Republic's Customs. The authorization of the customs Representative extinguishes at the end of his/her labor contract with his/her represented.

For the Municipalities, Diplomatic Missions, Consular or International Organisms or users of the Free Zones, the use of the figure is optional.

2.3.4. Customs Receiver

Customs Receiver: Are the juridical auxiliary people of the public function responsible for guarding and conserving the merchandise during the time that the law determines it. Its installations must be habilitated, prior compliance of the conditions determined by the legislation. Its operations are done under the control and supervision of the customs authority. The customs storages may be public or privates.

2.3.5. Customs Carriers

Carrier: All natural or juridical people that is dedicated to the cargo carrier that is or will be, as in the case of exports, affected to a customs operation or procedure, are classified as:

Custom Carrier: whose function consists of executing the internal procedures of the merchandise under customs control.

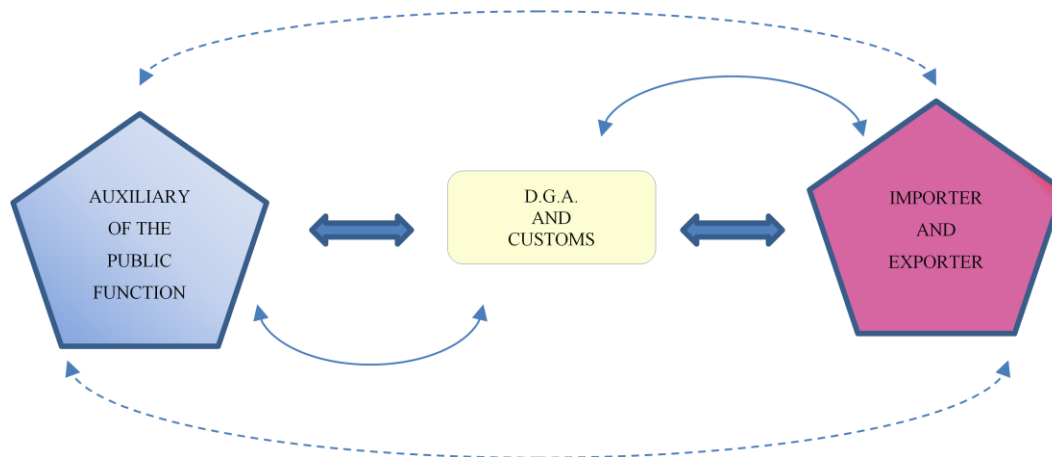
International Carrier: who has rightfully enrolled in the Carriers Registry of the Customs General Directorate and that carries merchandise from one customs territory to another.

The international carriers would have to register the vehicles and drivers that drive the respective vehicles. All carriers authorized as "international", may also, execute internal merchandise transit.

2.3.6. Other auxiliaries

Express Service Businesses or "Courier" Businesses: Are individuals or businesses, whose activity consists of lending a service of express or fast carrier by air or land of documents and packages. The El Salvador Customs Service may grant the auxiliary condition to the public function to other types of public or private subjects in which case, these will be subjected of the guidelines established for the operation and the guidelines commonly established.

INTERACTION OF THE EL SALVADOR CUSTOM SYSTEM WITH THE DIRECT USER



III. Customs Systems

3.1. Definitive

3.1.1. Definitive Import

It is the entrance, previous to complying with the tariff requirements (payment of tax and customs duties) and non-custom duties (for example, import permits), of merchandises coming from a foreign country for its use or definite consumption in the country.

3.2. Method of Import

3.2.1. Re-import of Definitely Exported Merchandise

It is the entrance, previous to complying with the tariff and non-tariff requirements (for example, import permits), of merchandises previously definitely exported and that return to the country within a 3 year period counted from the acceptance of the definite export declaration.

These merchandises, must:

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- Have been completely identified in the export's document at the moment of its exit.
- Not have suffered any transformation.
- Be completely identifiable at the moment of its return.

In these cases, the beneficiary must reintegrate any fiscal benefit received as a result of the exportation. These merchandises, if they are re-imported within the 3 year period and comply with the mentioned conditions, will not be subject to the payment of the Tax or Customs Duties.

3.2.2. Re-import of Temporary Exported Merchandise (That Return in the Same State)

It is the entrance, previous to complying with the tariff requirements (tax and customs duties payment) and non-custom duties (for example, import permits), of merchandise exported temporally for an authorized period (if exceeded the period would have to pay the corresponding tax and custom duties).

The merchandises must have been completely identified in the temporary exportation document at the moment of its exit.

3.2.3. Re-import of Exported Merchandise for Passive Improvement

It is the entrance, previous to complying with the tariff requirements (tax and customs duties payment) and non-custom duties (for example, import permits), of merchandise exported temporally for an authorized period (if its returned is produced after the authorized period, it would have to pay the corresponding tax and custom duties).

The merchandises must have been completely identified in the export's documents.

Considerations for applying this regime:

- If its confirmed, to the customs authority's satisfaction, that the merchandise was under the guarantee period, it returned within the authorized period and the reparation or substitution **did not altered its initial value**, it will not have to pay any of the tax or customs duties.
- If the merchandise returns within the period and the reparation or substitution **did alter its initial value**, it will pay the tax and customs duties for the aggregated value and the expenses that the operation generated.

- If the merchandise returns within the period and the reparation or substitution **was generated in one of the countries that form the Central-American Integration**, it will not cause any payment of taxes or custom duties. This is a criterion that has not been applied to date.

3.3. Special Methods of Import:

These constitute the other circumstances and conditions that the customs authority considers to activate the import procedures.

3.3.1. Postal Deliveries

These are postal deliveries, correspondence and postal packages designed as such in the Universal Postal Union Agreement and its Acts; and that are administered through the Postal Service of El Salvador.

In these cases, the importer must avail to the mechanisms signaled by the authority for the entrance of the goods that come under this modality.

For example, in the case of products like foods or cosmetics, it is possible that Customs retains the merchandise because it is necessary for the importer to go request an authorization from the Health Ministry in order to be able to continue with the entrance procedure of these products to the country.

3.3.2. Merchandise Introduced as Urgent Delivery or Under the Fast-Delivery System or "Courier"

Urgent Delivery

These are those that respond to a justified need and, prior compliance of the tariff requirements (payment of taxes and custom duties) and non-custom duties (for example, import permits), must be dispatched under a special, fast procedure.

Likewise, in this modality it is included the merchandises entered under the system of fast-delivery or "Courier", whose entrance is done by businesses registered with the customs service.

Deliveries under the fast-delivery or “Courier” system

These are those that, transported under the fast-delivery system and in accordance with the established classification, must be dispatched in a preferred manner, prior compliance of the tariff requirements (payment of taxes and custom duties) and non-custom duties (for example, import permits).

Categories of imported Merchandise under the fast-delivery system

- A. Deliveries that are transported and subject to be declared by the Fast-Delivery or “Courier” Businesses. In this case, these are deliveries that arrive to the country protected by a manifest from the of Fast-Delivery or “Courier” business only.

These deliveries may be of three types:

Documents and correspondence

These documents and correspondence may be presented either in a CD or paper; and are not subject to the taxes and custom duties. Software is excluded from this category. The documents may be printed, as long as they are not presented in commercial quantities.

Merchandises for which neither duty nor taxes are received

These merchandises must have been previously designed through a legislative decree from the El Salvador Government, as “tax free”.

Deliveries subject to taxes and duty payments

Any other merchandise that is affected by the taxes and duty payments because it has not been cataloged to be imported in a regime in which suspension or exoneration of the taxes or custom duties exist.

Software Considerations

In the case of Software it is important to indicate that for the custom value of the Software be calculated only considering the cost or value of the information support and not on the data contained in it, it is necessary that in the commercial invoice, the cost of the Software and of its support be indicated separately, this way the customs would only charge these taxes and custom duties on the value of the support and not of the *Software*.

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B. Small Deliveries without Commercial Nature

These are the foreign merchandises for use or consumption of the consignee or his/her family, whose import is exempt of the taxes and custom duties payments; and that it is authorized by the Custom's Authority, as long as its value in customs does not exceed US\$500 and when it complies with the following conditions:

1. That the consignee has not used this benefit in the last six months previous to the date of the transport document as arrival date to El Salvador.
2. That the quantity of merchandise being imported does not appear to be destined for commercial use.
3. That the merchandises' consignee or importer be a physical person.

These deliveries will be registered by Customs as of the trade, who elaborates and processes the corresponding "Courier" Declaration on the Importer's name.

3.3.3. Packages

They are deliveries of familiar nature without commercial value, that has been sent from a foreign country from one person to another and that were transported through a postal system, solicitor businesses or fast-delivery businesses.

To use this modality the three following conditions must be complied:

- The value of the goods cannot be more than US\$200.
- The merchandises must be transported only through air way and using the postal service (mail), the fast-delivery system ("Courier") or the solicitor businesses authorized by customs.
- It must be complied with the regulations imposed and non-custom duties. In the case that the solicitors, these only pay "IVA".

3.3.4. Consolidated Declaration

This is a type of Custom Declaration that allows accumulating several air way guides of the "Courier" type arrived at El Salvador under the same cargo manifest of the business that declares it and that comes at different importers names.

The value of each delivery must not be over than US\$1000 and the Fast-Delivery business will be responsible in front of Customs for all that is indicated in that consolidated declaration.

The merchandises subject to non-tariff controls (for example, import permits), may only be integrated to this modality, as long as they comply with such controls or permits before they be included in the consolidated declaration.

In order to use this benefit the Fast-Delivery business ("Courier") has to previously sign an agreement with the Customs General Directorate.

3.4. Travelers Luggage

It is considered part of the luggage those personal effects (new or used) without commercial value that a traveler takes with him/her for his/her personal use or for the professional exercise during his/her trip.

It is considered luggage:

- a) Clothing.
- b) Personal items and other items in a quantity proportional to the conditions of the traveler, such as jewelry, handbags, toiletries or amenities.
- c) Medication (in the case of drugs that require medical certification to purchase, due on "Recipe" always foods that are commercially processed, instruments, medical equipment, disposable items used them in amounts consistent with the circumstances and needs the traveler. the instruments must be portable. Wheelchair commuter if disabled. the car and the toys of children who travel.
- d) Articles for recreation or sport, such as muscle tension equipment, treadmills and bikes, both stationary and portable tables "surf", bats, bags, clothing, footwear and sports gloves, protective gear for baseball, football, basketball, tennis and others.
- e) An image recording device, a camera, a movie camera, a recording device and sound reproduction, and their accessories up to six rolls of film or magnetic tape for each, a broadcast receiver, a receiver television, a twin prismatic or spyglass, alllaptops.
- f) A personal computer, a typewriter, a calculator, all laptops.
- g) Tools, supplies, and hand tools of the trade or profession of the passenger, provided they do not constitute complete equipment for shops, offices, laboratories, or similar.
- h) portable musical instruments and accessories.
- i) Books, manuscripts, records, tapes and recorded media for sound recording or similar. Prints, Photographs and photo-commercial purposes.

- j) Five hundred grams of snuff produced in any form, five liters of wine, brandy or liquor per adult passenger and up to two kilograms of sweets.
- k) Hunting and sporting arms, ammunition, five hundred, a tent and there camping equipment, provided it is shown that the traveler is a tourist. The entry of weapons and ammunition will be subject to national regulations on the matter.

Excluded: The household goods.

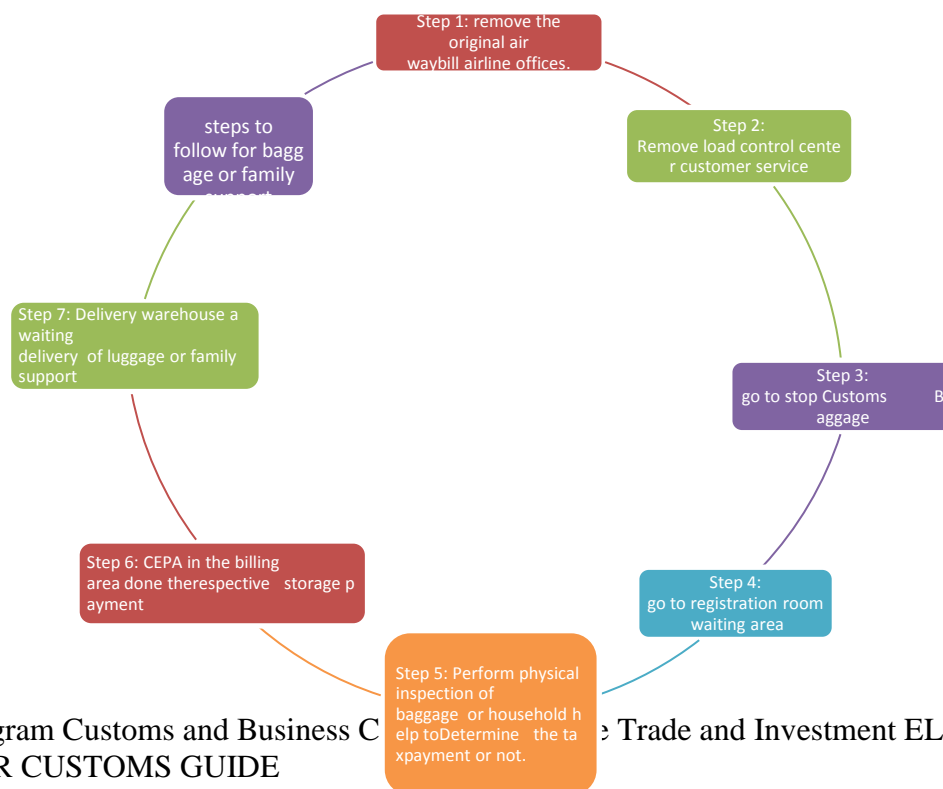
For Customs the household goods is all that can have a home in it and that can be transported when a person moves from their country to another. Includes: refrigerator, beds, cooking utensils, washing machine, bedding, toys, personal clothing, books, paintings and family photos and so on.

In Section 6.3 describes the requirements for the importation of household goods.

REQUIRED DOCUMENTS FOR THE PROCESS

BAGGAGE OR FAMILY SUPPORT

- 1 - ORIGINAL AIR GUIDE
- 2 - LOAD CONTROLS
- 3 - LUGGAGE OR BALLOT APPLICATION FOR REGISTRATION
- 4 - IDENTITY CARD OR PASSPORT ORIGINAL AND COPY



IV. Suspensive Arrangements

4.1. Temporary Import with Re-export in the Same State

It is the regime that allows the entrance of merchandises to El Salvador for a specific means, (for example one exhibition, one motorcycle race, the vehicle of a tourist), for a period authorized by Customs where the importer decides to do its procedure.

This merchandise is not subject to payment of the import taxes and custom duties, during the period that Customs had authorized, even though the taxes must be guaranteed.

Considerations for the use of the regime

To be beneficiated of the temporary regime with re-export in the same state, the importer must comply with the following conditions, under penalty of having to pay the taxes and custom duties immediately:

- Re-export the goods before the period's deadline.
- Do not use the goods for a different mean than that one authorized by customs.
- Do not transform the imported goods. The goods cannot be sold until its definitive import.

The importer may voluntarily declare his/her intention of definitely import these merchandises before its deadline, in which case he/she proceeds to pay all the corresponding taxes and custom duties.

4.2. Customs Transit

It is the regime under which the merchandises subject to custom control are transported from one place to another within or outside the national territory.

| | |
|------------------------------|---|
| Types of Transits | <p>The internal transit that is taken place from one custom to another for any national via, with the total suspension of the taxes and custom duties.</p> <p>The international transit that takes place through the international airways, water ways or land ways with total suspension of the taxes and custom duties.</p> |
|------------------------------|---|

The merchandises in transit will be subject at all times to customs control and supervision and other competent authorities, which may require the physical verification of the same at any

moment, for proof of the vehicles conditions, security mechanisms or merchandise conditions, among others.

In the Transit Regime, the carrier will be obligated to:

- Transit only through the authorized routes.
- Deliver the merchandise at its destiny, within the established periods and published by the Customs General Directorate.
- Maintain the security mechanisms in perfect state.
- Notify to the initial custom, end and jurisdiction (where the delay happens) of any situation regarding the transit.
- Notify any difference regarding the cargo quantity unloaded in the destination and the manifest in the transportation documents.

4.3. Customs Deposit or Customs Warehouse

It is the regime that allows the merchandises to be stored for a determined period by the Custom Legislation in an authorized premise and that they may stay there, under the Customs custody or of a Public Function Auxiliary authorized as a Custom Warehouse.

During the deposits period, the merchandises do not have to pay taxes and custom duties, even though the taxes must be guaranteed. The merchandises are considered, at all times, under custom's supervision and control; and the receiver is the responsible before customs, for the taxes and custom duties payment in case of loss, destruction or damage of the goods under his/her custody.

It is possible to re-prepare, re-pack the merchandises with the object of identifying or keeping them under this regime, with the condition that this activity does not alter or modifies the nature of the merchandise.

Likewise, it is possible, prior authorization or established modality by the custom authority, that the merchandise will be subject to another type of activity or operation, with the condition that its nature would not altered or modified.

V. Special Arrangements and Discharge

5.1. Temporary Admission for Active Improvement

It is the regime that allows the entrance of merchandise to the custom territory, for a period previously authorized to be transformed or repaired and then re-exported, with suspension of the import taxes and custom duties.

The machinery and equipment could remain for a limited time within the authorized localities. The merchandises, plants, warehouses, processes and operations of the business authorized under this regime, are at all time subject to custom supervision and control, who will verify among other aspects, that only the authorized operations are taken place.

The businesses may run their chain operations in their production, with businesses previously authorized under the same regime or under the Free Zone regime.

When an importer wants to import machinery, equipment, raw material or other product to this regime, he/she will have to request an authorization at the Custom and use a custom agent to do the import process, or through the Customs Special Representative rightfully authorized.

5.2. Free Zone

The Free Zones are spaces or establishments (factories, locals, stores or industrial parks) considered by the authority "out" of the national territory that have been authorized and registered by the El Salvador Finance Ministry to produce, transform, assemble, set up or commercialize merchandise and afterward send them to foreign countries. These businesses may also dedicate to the presentation and development of services.

At all times the mentioned businesses may request the sale of their products or services to businesses or consumers within the El Salvador; for these, they have to request the permit to the El Salvador Finance Ministry and pay all the corresponding custom duties and taxes, as well as the internal taxes, accordingly to the type of product it is.

The businesses beneficiate when they have their operations in Free Zones because: they may enter all the needed to run their production, administration and operation free of taxes and custom duties; also the diverse fiscal benefits, such as acquiring consumables to businesses from El Salvador free of the Transfer of Furniture Goods taxes.

The businesses that operate in the Free Zone and its merchandises, enclosure, processes and operations, are subject to the Custom supervision and control, who will verify that only the authorized operations are being done.

VI. Customs Tributary Rights and Taxes

The *tributary rights* are the obligations that the El Salvador Republic establishes, in order to finance the various obligations and comply with the State ends.

The tributary rights are classified in: taxes, fees and special contributions.

Taxes

the tributary rights requested without compensation, whose event consists of businesses, acts or deeds of legal or economic nature that manifest the taxpayer or deponent's contribution ability .

In the foreign trade operations the obligation of paying taxes is produced. At the customs level, there are the Import Custom Duties (DAI), as well as other tributary rights carried by importing merchandises.

6.1. Main Elements of the Custom Duties

The Import Custom Duties (DAI) are tributary rights contained in the Central-American Import Tariff and that are generated by the import custom's operation.

With the exception of the franchises and established exemptions, all merchandise imported to the custom territory of El Salvador, must pay the applicable custom duties.

The main elements that form the Custom Duties are the following:

- a) **Subjects:** There are two types of subjects: the *active subject* and the *passive subject*. The first one is the State who acts in the exercise of its sovereign power; and the second is the deponents (importer or his/her representative) who are the legally responsible for the payment.
- b) **Object:** The object of the Custom Duties is created with the entrance (import) or exit (export) of the merchandises in/out of the custom territory; when the deponent (importer or his/her representative) destines the merchandise to a custom regime and that this regime implies the Custom Duties payment.
- c) **Birth of the tributary obligation:** The custom tributary obligation or tributary generator is born or is caused when import or export acts are taking place according to the custom regime to which the merchandises are subject. In El Salvador this obligation is born at the

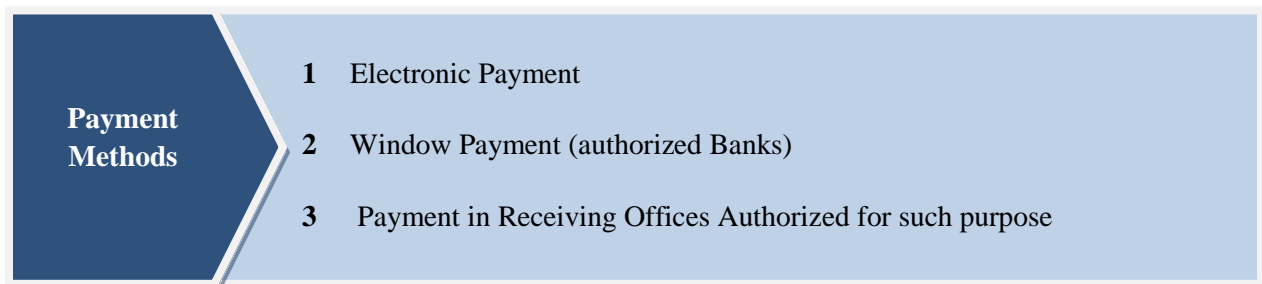
specific moment in which the merchandise declaration is accepted in the import regimes or definite export and its modalities.²

- d) **Taxable Base:** The taxable base for the Import Custom Duties application is the *Custom's Value of Merchandises* (see section VII of this Guide), and for the other taxes is that established by its creation law.
- e) **Fee or quota (ad valorem):** The *ad valorem* reflects in the percentage over the custom's Value and that percentage is directly linked to the tariff classification (*see section XV or this Guide*) that corresponds to the merchandise that is going to be imported or exported.
- f) **Payment Obligation:** The payment obligation equivalent to the obligation of turning into the State de money that, according to the calculation of the taxes and custom duties, correspond to that import operation. Who must pay is the passive subject (importer or his/her representative).

If the payment is done through a custom agent, the first responsible before customs is the importer and the custom agent is the supportive responsible.

PAYMENTS METHODS

The payments methods of the Custom Duties and Taxes acknowledge in the custom legislation are the following:



PERIOD TO COMPLAIN

The deponent (importer or his/her representative) has the right to complain before Customs what he/she can prove as payment in excess, either because an error was made by his/her part, or because the state charged wrongly; taxes, interests, surcharges and fines can be protested.

The period to complain is of five years that count from the date in which the payment was done (Custom Simplification Law).

6.2. Other Tributary Rights to be paid for the Import

In El Salvador, the Custom facilitates other tributary rights collections that have been established in different Laws. These taxes are different to the Custom Duties, generally are the following:

- a) Import Custom Duties (DAI)
- b) Value-Added Tax (IVA)
- c) Other Specific Taxes
- d) Fees for Storage and Parking
- e) For other services

6.3. Imports Free of Tax Payment

The imports free of tax are known as **franchises or exemptions** and are specifically limited and regulated in the Republic's Agreements and Laws. In this matter, the Agreement On the Central-American Custom and Tariff Regime, in Chapter V, denominated "Franchises and Custom Duties Exemptions", in its Article 21 "Only Dispositions", establishes the main franchises and exemptions in the national custom legislation:

- a. Of the household for people domiciled that have been absent of the country the 24 months prior to his/her definitive return.
- b. Of the merchandise covered by the regional and international agreements rules in effect or the national laws relating to those means or different activities of the manufacturing industry to what the Central-American Agreement on Fiscal Incentives and its Protocols refer.
- c. Of the merchandise that are imported for the development of the craftwork activities, small industries and export industries to third countries;
- d. For activities rightfully qualified authorized by the Council; and,
- e. Of the merchandise originated in the country, object of re-importing without any transformation within the three year period.

Likewise, the Hiring States may authorize the suspension of the custom duties and other taxes payment to the temporary import or export, accordingly with the custom or of the branch legislation. These suspensions may obtain a deferment in the suspension period for payment.

VII. Value in Customs

7.1. Concept of the Value in Customs

The concept of value in customs is used by the Customs Authority to indicate the procedures for building the amount on which the custom duties and taxes are calculated. A purchase/sale is normally represented through a commercial invoice that is attached by the importer to complete the import.

The Custom considers that a commercial invoice represents a value that is acceptable only if it has certain elements that added or subtracted to the invoice value, may be considered as base for the custom duties and taxes be applied. The Central-American countries, add to the invoice value (if it is not already included), the transport expenses (freight), insurance, handling expenses, loading and unloading of which the merchandise was subject until its arrival to the airport, port or land frontier of El Salvador.

This calculation takes place by the Custom for all the merchandise, whether it is or not affected by the payment of the custom duties or taxes.

The Custom may request to the importer to clarify the information contained in the commercial invoice or in the Declaration of Custom Value Form. The Authority has a value data base that shares and consults at the Central-American level in order to analyze the values presented in the commercial invoices of the importers and which allows it to define if a price validity investigation is to be done or not.

7.2. Calculation Method for the Transaction Value

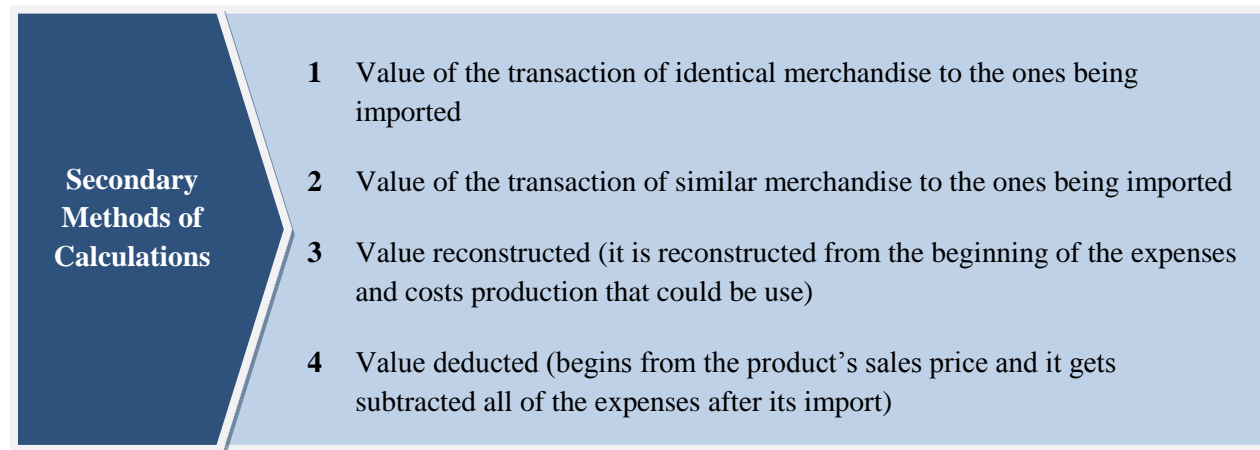
The value of the transaction covers

The Price of the merchandise adding or subtracting elements such as freight, insurances, handling and other expenses in which the importer incurs in order to deliver the merchandise to the place of entrance to the custom territory of El Salvador.

There are additional elements such as the connection or relation of businesses of the type as branch offices, subsidiaries, commercial alliances, etc. of the supplying business and client, which the custom will consider in the moment of valuating the price presented.

When the Custom considers that the presented price cannot be used to calculate the taxes, it may turn to the application of the methods listed in the following point.

7.3. Secondary Methods of Calculations



The legislation also allows that the custom may reject the price of the merchandise presented by the importer if the custom may prove that:

- The importer does not carry, keep or include in his/her accounting and other documents relating to foreign trade, to the custom Services disposition.
- The importer rejects that customs revises his/her records.
- The importer omits or alters his/her records of foreign trade operations.
- The importer does not present the documents requested by customs within the required period.
- Presents false or inexact information.
- If it is proven that the importer and his/her supplier's connection, influenced in the price of the imported merchandise.

7.4. Value Declaration Form

The Custom Value Declaration is a form that contains information regarding a commercial transaction or purchase/sale. This must be filled and signed by the importer under serious oath. The custom could request it before, during or after the import.

In case of Custom's verification, what documents must the importer have?

Those documents which prove that the data presented in the invoice and Custom Value Declaration are true. When the Custom requests documents to the importer, the period for turning them in is relatively short.

VIII.Obligations for the Merchandise Imports

Importing merchandise is an interaction process in which the public authorities participate such as customs, ministries that which grant permits or conduct the inspections, the customs agents, the importers, fiscal warehouses and carriers among others.

In a general sense, we must say that the custom obligation is constituted by the set of tributary obligations (custom duties and taxes that must be paid at custom) and the non-tributary (import permits from the Health Ministry, for instance) which rise between the State and the private sector (businessmen or physical people), as a consequence of the entrance or exit of merchandise to/from the El Salvador custom territory.

8.1. Customs Declaration and the Self-determination

The merchandise's ***custom declaration*** is the document prepared under oath, which is presented to Customs and represents that the interested free and voluntarily have determined the regime to which they want to subject the merchandise to (i.e.: import or export). With this act, who presents the declaration and the importer, accept the obligations that it imposes.

In El Salvador when the declaration is presented, it has already been self-determined (self-calculated the custom duties and taxes) that have to be paid; also, that all of the authorization procedures or inspections with other authorities have been completed.

In El Salvador is also possible when Customs allows it, based on what the importer or his/her representative indicates, that the same customs is who prepares the calculation of the custom duties and taxes; and it communicates them to the importer or his/her representative to do the payment.

8.2. Previous Exam

It is a recognition means that may be used by the deponent, with the purpose of checking its status, quantity and way in which the merchandise arrived to the country. This action allows detecting before the payment of the custom duties and taxes, any difference regarding to what the importer requested to his/her supplier, write it in the declaration or returning the merchandise to the supplier.

This information is also an important source of data in order to be able to correctly list the description of the merchandise in the import's document.

8.2.1. Sample Extractions

The custom authority may extract samples of the merchandises, with the object of complying with the requirements of inscription or authorization for entrance, or to determine its correct tariff classification. The quantity that is authorized by customs is strictly limited to the quantity needed to perform the appropriate analysis. The extracted samples must always pay the corresponding custom duties and taxes, at the moment of presenting the relevant declaration of merchandise.

8.3. Authorized Places

Every entrance and exit of people, merchandise and transportation means to/from the custom territory may only be done through the places "authorized" by customs authority and will be subject to its control.

The "authorized" places are those in which customs has its authorized control posts.

Once the legal process of receiving the transportation unit is completed, then it is possible to load or unload the merchandises or that the crew and passengers' embark or disembark be allowed, always within the authorized days and times.

These processes of unloading must be only made in the Temporary Warehouses; nevertheless, in some cases, Customs may authorize that the merchandise be unloaded in other non-authorized places, considering special cases or its characteristics, such as:

- a) The nature of the merchandise, such as: plants and live animals.

- b) Its urgency or justification, such as: refrigerated merchandise, vaccines, serum and aid/assistance deliveries.
- c) Due to its danger, such as: explosive merchandise, corrosive, inflammable, contaminants, toxic and radioactive.
- d) Its perishable nature or of easy decomposition, such as: flowers, fruits and fresh or refrigerated meats.
- e) Other that each signatory country establishes.

8.4. Temporary Warehouse

These are places that the custom authority approved for the merchandises to be unloaded and remain there during a maximum period of 20 days. After this period the merchandise is considered in abandonment.

8.4.1. What type of Merchandise can be entered to a temporary warehouse?

In the temporary warehouses all type of merchandise can be entered, coming from foreign countries that have not yet been destined to a custom regime (of import or free zone, for instance). There are some cases in which the law does not allow that certain merchandise may enter these warehouses.

It is important emphasize that the explosive, corrosive, contaminants or radioactive merchandise, can only be unloaded or be left in warehouses, as long as it complies with the following requirements:

- a) That the merchandise count with the authorization of the competent authorities.
- b) That the premise counts with appropriate places for its storage, due to its security conditions.

If non-complying with the previous requirements, the custom authority must deliver the merchandise immediately to the competent authority and organisms in the matter (sanitary or security entities, for instance), the merchandise would then remain under the custody of those authorities.

8.4.2. What Operations can the merchandise suffer during the temporary warehousing?

During the time that the merchandise remains in the temporary warehouse, under the customs authority control, they may be object, by the interested part or his/her representative, of the following operations:

| Operations that the merchandise can suffer while in the temporary warehouse | |
|---|---|
| 1 | Previous Exam. |
| 2 | Recognition, weighting, measuring and count. |
| 3 | Placement of signs or markings for identification of packages. |
| 4 | Samples withdraw or analysis. |
| 5 | Division and re-packing. |
| 6 | Destruction. |
| 7 | Machinery's functioning control or maintenance, as long as its state or nature is not modified. |
| 8 | Care for live animals. |

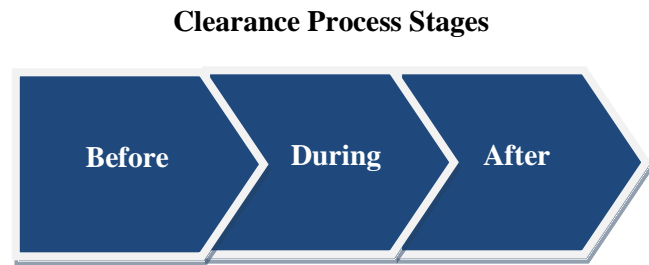
8.4.3. What handling can be done to the merchandises during the temporary warehousing?

Furthermore, the merchandise that is in a custom warehouse may be object to the following handlings:

| Handlings that the merchandise can suffer while in the temporary warehouse | |
|--|--|
| ▪ | Integration or Disintegration. |
| ▪ | Division. |
| ▪ | Classification. |
| ▪ | Packing and re-packing. |
| ▪ | Unpacking. |
| ▪ | Packaging. |
| ▪ | Marking and re-marking. |
| ▪ | Labeling. |
| ▪ | Placement of signs with commercial information. |
| ▪ | Sample extractions. |
| ▪ | Any other operation related, as long as it does not alter or modify the nature of the merchandise. |

8.5. What is the Clearance Process?

The merchandise clearance process is a set of acts and formalities needed to submit the merchandise to a custom regime (import or free zone, for example). Begins with the Acceptance of the Custom Declaration (ver. 8.1) and concludes with its raise (withdrawal authorization), before customs.



All the custom regimes and the definitive import and export modalities, are conditioned to the compliance of the requirements and custom and non-custom formalities (sanitary permits, for example), that might be requirable in each case. Likewise, in the custom clearance the information might be transmitted electronically (Merchandise Declaration sent through Internet) to the authorized custom (that counts with the system) to receive this transmission.

The users of the Custom Service may transmit electronically, among other documents: the merchandise declarations, certificates or origin-certificates, cargo manifest, bills of landing and any other document required to conduct the foreign trade operations, according to the requirements and formalities established in the custom legislation or administrative dispositions of general nature issued by the Customs General Directorate.

8.6. Importers' Obligations in the Clearance Process

The importers or their representatives have diverse obligations for presenting the dispatch or custom clearance of the merchandises, these obligations must be properly complied with the purpose of conducting in an agile and efficient manner the dispatch; as well as to avoid any sanction.

The main obligations related with the merchandise's dispatch have been divided in three stages for the practical effect of its comprehension: 1) before, 2) during and 3) after the clearance.

8.6.1. Before the Clearance Process

- **Import's Registry.** The deponents have to register in the *Importers Registry*, in compliance with the Importers Registration Law, with the exception of: people or organisms pertaining to the Diplomatic or Consular Body, or that receive diplomatic treatment; as well

as the signatory of goods under the special modalities of definitive import, such as traffic in shipping aids, postal shipping, import of travelers baggage and the household.

- **Keep an accounting or registries.** Keep formal accounting and have it at the customs authority disposition, the importers that are not required to keep an accounting, must keep special registries, these information might be requested to the importer or his/her representative at any moment by the Custom Authority.
- **Use of service agents or a custom representative.** The declaration of merchandise may be presented before customs by a custom agent or by a special custom representative, when the business has that authorized representative.
- There are also cases in which the legislation may establish that these operations may take place without the intervention of a custom agent or special representative:
 - a) When it deals with customs operations conducted by the Government and its dependencies, the municipalities and State's autonomous or semi-autonomous institutions.
 - b) When the merchandises are subject to the custom operation or procedure found in any of the following conditions:
 - i) They are sheltered by a customs form of a central-american free trade agreement, bilateral or multilateral.
 - ii) Small shipments without commercial nature.
 - iii) They are received or sent through an international postal system or through fast-delivery or "Courier" systems.
 - iv) When it is about travelers baggage.
 - v) When it is about definitive exports.
 - vi) Those conducted by juridical people represented by a special custom representative.
 - vii) In all other cases when they are about other operations that the relevant legislation establishes.
- Comply with the Non-Tariff Regulations and Restrictions (sanitary permits, for example), is always necessary previously to the customs clearance of the merchandise.

8.6.2.During the Clearance Process

- a) Present the declaration of merchandise.** All merchandise to be destined to a custom regime, must be sheltered by a declaration.
- b) Form and means of presenting the declaration of merchandise.** The declaration of merchandise will be presented electronically or in the forms authorized by the Customs Service, prior to complying with the custom formalities and anticipated payment of the custom duties and taxes, when they correspond.

- c) **Conditions for presenting the declaration of merchandise.** For the presentation of the declaration of merchandise, the following conditions, among others, must be complied:
 - a) That they refer to only one custom regime.
 - b) That they are presented in the name of the people who has the disposition rights over the merchandise, unless the legal exceptions.
 - c) That the merchandise be stored in one same warehouse.
 - d) That the merchandise be consigned in the respective shipping manifest, even though various transport documents existed, unless the legal exceptions.
 - e) Other legally established.
- d) **Technical measures.** The interested must also deliver to the custom authority the technical reports that allow the complete identification of the merchandise, such as catalogs, industrial designs, drawings, brochures, etc.
- e) **Merchandise dispositions.** The deponent must put at the disposition of the custom functionary the merchandises for him/her to conduct a physical recognition, when this corresponds and the same deponent is who should perform the opening of the packages, its grouping and other needed operations to facilitate the custom inspection.
- f) **Specialized personnel.** When the merchandise to be recognized, require the application of technical measures to manipulate them, move them or recognize them, the custom authority demands that the interested assigns specialized personnel, within a period of 48 hours.

8.6.3.After the Clearance Process

- **Keep documents.** The importer or his/her representative must keep their accounting records, special records and the customs operations backup that they have conducted during a period of 5 years.

8.7. Intermediaries Obligations

The intermediaries have the obligation with the importer in relation with the merchandise clearance and also it is necessary to point out the importance of their responsibility before the customs authority.

8.7.1.Supportive Responsibility

The auxiliaries are supportive responsible before the Treasury, for the derived consequences of the acts, omissions, infractions and felonies in which their accredited employees may fall before the Customs Service; also, they have civil, administrative or legal responsibilities.

Some other supportive responsibilities contained in the custom legislation are the following:

- **Custom Agent. The custom agent is supportively responsible with the deponent before the Treasury,** for the payment of the custom tributary obligations derived from the procedure, regimes or operations in which they fall; and for the payment of the corresponding differences, interests, fines, surcharges and adjustments.
- **International Transport Agent.** The international transport agent that sub-contracted the internal transportation of the merchandise **is supportively responsible with the person that conducts the mentioned operation,** before customs for the payment of the custom duties and taxes, if the merchandises do not arrive completely to their destiny, as well as the responsibilities in which they fall for the possible commissions of custom infractions.
- **Custom Carrier.** For his/her part, the carrier that drives an operation of custom transit and the transport agent, **are responsible before the Treasury for:**

- the merchandise delivery into the destiny's custom in the established time.
- the civilian, administrative or legal responsibilities in which they may fall in accomplishing their functions.
- for the custom duties and taxes payments to the import if it does not totally arrive to the mentioned custom.

8.7.2.General Obligations of the Public Function Auxiliaries

The auxiliaries of the Public Function such as Custom Agents, Carriers and Fiscal Warehouses have obligations as the ones listed below:

- a) Maintain registries of all their customs operations as established by the Customs Service.
- b) Maintain for a period of 5 years documents and information on their procedures at the Customs Service disposition.
- c) Have at the sight of Customs, the accounting books, their annexes, files, accounting registries and any other information of tributary or custom significance and the respective electronic files.
- d) Transmit electronically or through other means their custom declarations and other complementary information.

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- e) Comply with the forms and procedures for the electronic data transmission, following the Customs Service requirements.
- f) Check the conditions and status of the packaging, seals, safety seals and other security means of the merchandise and the carriers; and communicate immediately the Customs Service of any irregularity, when they are to receive, store or transport merchandise.
- g) Account for and maintain updated the operation's guarantee, when they are required to account for it.
- h) Present an annual certification, extended by the competent authorities, to prove that they are up to date with the payment of their tributary obligations.
- i) Comply with the legal and administrative requirements to which the procedure, operations and customs regimes, in which they fall, are subject to.
- j) Accredite the employees that will be representing them before the Customs Service in their customs formalities.
- k) Veil for the fiscal interest.
- l) Maintain offices in the country and communicate to the Customs Service the change of their fiscal address, legal representatives and any other information.
- m) In the case of juridical people, accredit and maintain before the Customs Service, for all its effects, a legal representative or manager with sufficient representation faculties.
- n) The guarantee to which the apart g) above refers will be determined, fixed and adjusted in compliance with the parameters established by the Customs Service.

8.7.3. Who must comply with security measures on the transmission of information?

The customs functionaries and employees, auxiliaries, deponents and other authorized people that use the electronic information systems and means of electronic data transmission linked to the Customs Service, must comply with the security measures established, the prior includes the use of codes, confidential or security passwords.

8.7.4. What are the Specific obligations of the Custom Agents?

The Customs Agents have besides the obligations already mentioned in 8.7.2., the following specific obligations:

- a) Count with the necessary team to conduct the dispatch through electronic transmission.
- b) Act personally in the own activities of their functions (excluding the exceptions that the customs law mentions).
- c) Annually receive an actualization training given by the Customs Service.

8.7.5. What are the Specific obligations of the Carriers?

The customs carriers have, besides the ones mentioned in 8.7.2., the following obligations:

- a) Deliver the merchandises at the destiny's custom and answer if they fail to fulfill the obligations that the customs transit regime imposes, this includes payment of the corresponding obligations if the merchandise does not completely arrive to its destiny.
- b) Transmit electronically or through an authorized means, the declaration and any other requested information prior to the arrival of the transportation means; as well as the corresponding data of the transported merchandise.
- c) Communicate, through the established means by the Customs Service, the differences that might be found between the quantity of the packages really unloaded or transported and the manifested quantities, the packages damaged or broken as a consequence of the transport and any other circumstance that affects the declarations prepared.
- d) In the case of the terrestrial transit, transport the merchandise through the authorized routes (the ones authorized by Customs) and deliver them in the place and time authorized and established.
- e) Maintain intact the mechanisms or security measures adhered to the transport means.
- f) Allow and facilitate the customs inspection of the merchandise, vehicles and transport units, their cargo and the verification of the documents or authorizations which shelter them.
- g) Assign personnel for the loading, unloading or transshipping merchandises.
- h) Proportionate information contained in the cargo General Manifest, the carrier Document, passengers list, crew and their luggage, the on-board provisions list, postal guide shipment and any other that Customs requests through the legal channels.

IX. Procedure for the Import Clearance Process

The clearance of an import can be attended by a Custom Agent, a Special Representative, a solicitor or the importer himself/herself through the Customs when the legal circumstances allow it.

It is important who decides to participate in this procedure understands that the transparency and veracity of the information presented, is indispensable to avoid risks of committing an act that may be sanctioned by the Customs Authority.

9.1. Merchandise Verification or Previous Exam

It is a recognition method that can be used by the deponent, with the intention of reviewing the state, quantity and manner in which the merchandise arrived to the country.

The prior allows detecting, before payment of the custom duties and taxes, any difference regarding to what the importer requested to his/her supplier; writing it in the declaration or returning the merchandise to the supplier.

This information is also an important source of data, in order to be able to correctly declare the merchandise description in the import document.

9.2. Merchandise Declaration Form

There are various forms or types of declaration, according to the regime that is desired to destine the merchandise.

Some of them are the forms of definitive Import of Vehicles Declaration, General Merchandise, Processing through Solicitors, simplified Procedure "Courier", these forms are available in the web page www.aduana.gob.sv.

9.2.1. The Declarations may be Self-determined or Non-self-determined

The Self-determined are those when the person presenting them has calculated and performed the payment of the custom duties and taxes prior to presenting it. The Non-self-determined are when there is the possibility to do the payment after presenting them once the Customs Authority has calculated and informed the importer or deponent which is the amount to be paid for customs duties and taxes.

9.3. What information must the Custom's Declaration contain?

The declarations, according to the regime in question, must contain at least the following information:

CONTENTS OF THE CUSTOMS DECLARATION

1. Identification and tributary registry of the importer and/or exporter.
2. Identification of the customs agent, when corresponds.

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3. Identification of the transporter and of the transportation means.
4. Customs regime that is being requested.
5. Country of origin, origin and destiny of the merchandise, in its case.
6. Number of the cargo manifest.
7. Characteristics of the packages, such as: quantity and class.
8. Raw weight in kilograms of the merchandise.
9. Customs code and commercial description of the merchandise.
10. Value in customs of the merchandise.
11. Amount of the customs tributary obligations, when corresponds.

Procedure to carry out the Self-determined Declaration

The procedure implies a series of requirements that have to be complied with, in order for this declaration be elaborated and accepted afterwards:

REQUIREMENTS FOR THE DECLARATION

1. It is done under oath of the deponent (importer or his/her representative).
2. It would have to be transmitted electronically (exceptionally through other authorized means).
3. It must request only one customs regime.
4. It must be done on behalf of or on the name of the people that have the legal rights on the merchandise, except if there is any legal particularity.
5. That the merchandise be store in the same warehouse.
6. That they be allocated in only one cargo manifest, even though they are covered by multiple bills of landings.

9.4. Documents that must accompany the Declaration of Merchandise

Obligatory information and documents to be presented with the declaration of merchandise:

DOCUMENTS THAT MUST ACCOMPANY THE DECLARATION

1. Original of the commercial invoice.
2. Original transport document on behalf of the permanent holder or with an endorsement or cession on behalf of the new holder, when proceeds according to the regime.
3. Certificate of Origin, when proceeds.
4. Permits or authorizations of removal from storage, when proceeds.

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NON-OBLIGATORY DOCUMENTS THAT MAY EXPEDITE THE CLEARANCE

Although they are not obligatory, these documents may facilitate the inspection of the merchandise and the determination of its value, classification, etc.:

1. Packing list.
2. Catalog with the codes.
3. Explanation of the invoices.
4. Translation of the invoices.

9.5. Forms of Presenting the Custom's Declaration

9.5.1. Advance Custom's Declaration

It is possible to present the customs declaration before the arrival of the merchandise to the country, through the means and conditions authorized by the Customs General Directorate.

It is only allowed to use the advance Declaration System in the following cases:

- Definitive import and its modalities.
- Temporary import with re-export in the same condition.
- Temporary admission for active improvement.
- Free Zones.
- Re-import, including those merchandises that are re-imported by the coverage of the temporary export regimes with the re-import in the same condition and temporary export for passive improvement.

9.5.2. Is it possible to present an import's declaration in a provisional manner?

Yes, it is possible, nevertheless the only type of merchandise in which the legislation today authorizes its use under this type of dispatch is the loose merchandise.

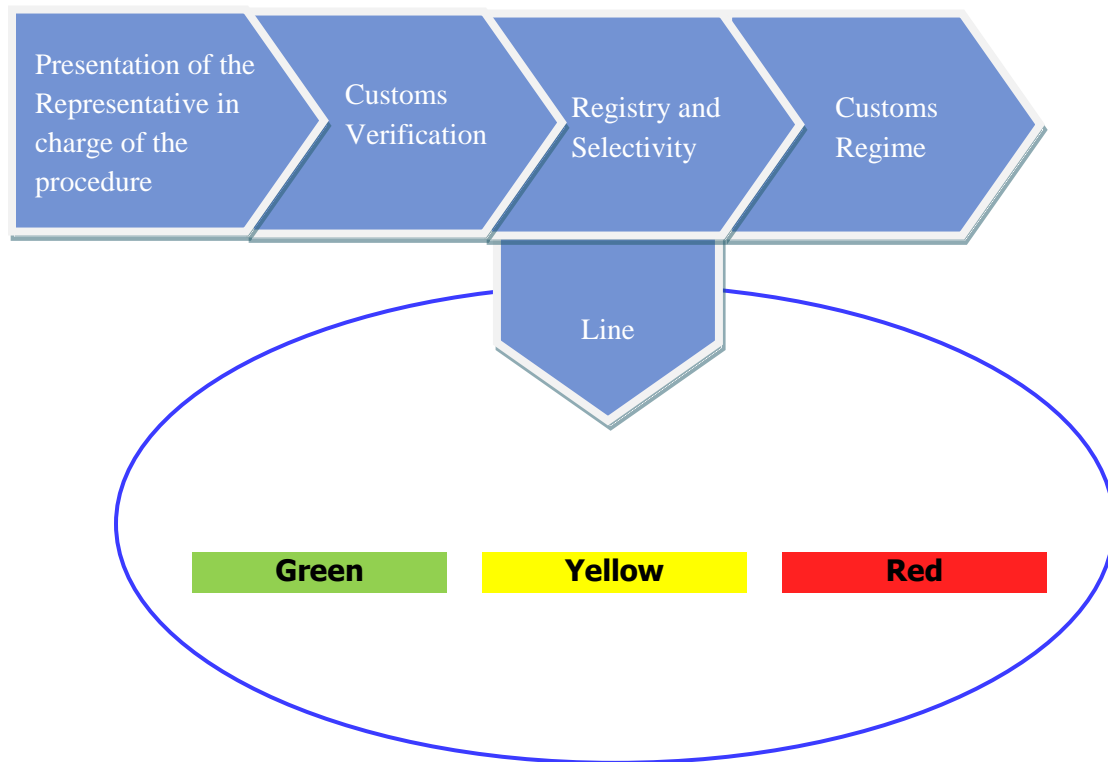
9.5.2.1. Payment of the Provisional Declaration

The provisional declaration has to be paid 5 days after finished the unloading of the merchandise through a definitive declaration.

9.5.3. Final Declaration

The process of the Definitive Declaration of restricted import merchandise (that require permits, inspections or import authorizations), are only authorized if the authorization procedure were approved by the respective authorities

THE CLEARANCE PROCESS:



1. The deponent that is running the procedures presents himself/herself to the Custom to which he/she transmitted the declaration of merchandise.
2. Presents the following documents:
 - Two printed copies of the declaration.
 - The original documents requested by the selected regime.
3. The Customs verifies and validates the information of the documents against what was registered.
4. If the system approves it, the declaration is registered and the same system submits it for selectivity.

5. The customs declaration may be submitted to a custom's regime at the moment of its entrance to the country or at its arrival to the destined custom, in which the payment of the custom duties in taxes must be done.

This possibility does not apply in the advance clearances (before the arrival of the transportation unit to the custom territory of El Salvador), in which, the application of the selectivity will take place at the moment of the transmission and, if this results the physical revision, this will be done in the internal custom of the merchandise's destination.

If the transmission and the payment were done electronically and does not require a permit or import control, the previous registry of the declaration is omitted (second registry).

6. Of the selectivity result:

If the declaration is anticipated and it was submitted to a second registry (in other words, the original declaration documents are in the custom where the second registry took place), the declaration in the border was transmitted (run) with the transport documents.

The entrance or internal customs will have to coordinate all relating to it, for the operation completed to be compiled in one unique file in the custom that gave the end to the entrance procedure. For this to happen, the border custom or port of entry submits to the internal custom for clearance or verification, the original transport documents and the transit guide when it proceeds.

Result of selectivity "green"

The system indicates "Automatic Pick Up" and the user receives a copy of the declaration signing the acceptance of the result and proceeding to remove the merchandise.

Result of selectivity "yellow"

The system indicates "Document valuation", the declaration is redirected and there are two possibilities:

- If a second registry has been performed, it will be liquidated in the system and the clearance of the merchandises proceeds, without requesting the original declaration and its documents.
- If a second registry has not been performed, the presentation of the original declaration and its documents is requested.

Once the documents revision compliance is verified and the non-tariff requirements (import permits, for instance) have been verified, the Functionary designated by the Authority, proceeds with the liquidation and electronic authorization of the "Pick Up" of the merchandise. The user receives a copy of the declaration signing the one that remains in the customs custody.

Result of selectivity "red"

The system indicates "Immediate Verification", there are two possibilities:

- If the merchandise is in the custom where it was sent, the deponent must put the merchandise at the disposition of the Functionary designated by the authority to perform the physical revision.
- If the merchandise is in the entrance custom, he/she must deliver it while in transit towards the custom where it was sent, in order to put the merchandise at the disposition of the Functionary designated by the authority to perform the physical revision.

Places to perform the physical revision:

- a) In those cases where the merchandise enters through the borders of Anguiatú, Chimanas and San Cristóbal, the deponent must send the custom declaration to the Internal Custom of Santa Ana and San Bartolo.
- b) In those cases where the merchandise enters through La Hachadura, it must be sent to the Internal Custom of San Bartolo or Almacenadora La Roca.
- c) Those merchandises that enter through the borders of El Poy and El Amatillo, must be sent to the Internal Custom of San Bartolo.

Once the compliance of the physical revision and non-tariff requirements are verified the Functionary designated by the authority proceeds with the liquidation and electronic authorization for the merchandise "Pick Up". The user receives a copy of the declaration signing the one that remains in the customs custody.

X. Procedure to Submit to Customs' Regime Merchandise Originated and Coming from Central America

10.1. Central-American Customs Unique Form (FAUCA)

In this case, for the merchandise originated in Central-America, imported under FAUCA, the participation of the custom agent is optional for the importer. The user has two options to do the procedures, these are:

1. Simplified Procedure:

The conditions to make use of this procedure are:

- The FAUCA must indicate the Registry's Number of both countries.
- The user must present the complete documentation electronically transmitted and with the taxes already paid, either by electronic payment or in advance.
- The user must present the compliance with the non-tariff requirements.

2. General Procedure:

This procedure is activated when the user has not anticipated the process of the non-tariff requirements. The conditions to make use of this procedure are:

- The FAUCA must indicate the Registry's Number of both countries.
- The user presents the completed documentation electronically transmitted and makes the payment at the Border.
- He/She goes personally to the Custom to which the declaration of merchandise was transmitted.
- Presents the following documents:
 - Two printed copies of the FAUCA.
 - The original documents that the selected regime requires.

3. Customs verifies and validates the information of the documents against what was registered.

4. If it is approved, the declaration is registered and submitted to selectivity.

5. If the transmission and the payment was made electronically and does not require import permit or control, the previous registry of the declaration is omitted (second registry).

From the selectivity result:

Result of selectivity "green"

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The system indicates "Automatic Pick Up" and the user receives a copy of the declaration signing the acceptance of the result and proceeding to remove the merchandise.

Result of selectivity "yellow"

The system indicates "Documental valuation", the declaration is redirected and there are two possibilities:

- If a second registry has been performed, it will be liquidated in the system and the clearance of the merchandises proceeds, without requesting the original declaration and its documents.
- If a second registry has not been performed, the presentation of the original declaration and its documents is requested.

Once the documents revision compliance is verified and the non-tariff requirements (import permits, for instance) have been verified, the Functionary designated by the Authority, proceeds with the liquidation and electronic authorization of the "Pick Up" of the merchandise. The user receives a copy of the FAUCA signing the one that remains in the customs custody.

Places to perform the physical revision:

- d) In those cases where the merchandise enters through the borders of Anguiatú, Chimanas and San Cristóbal, the deponent must send the custom declaration to the Internal Custom of Santa Ana and San Bartolo.
- e) In those cases where the merchandise enters through La Hachadura, it must be sent to the Internal Custom of San Bartolo or Almacenadora La Roca.
- f) Those merchandises that enter through the borders of El Poy and El Amatillo, must be sent to the Internal Custom of San Bartolo.

Once the compliance of the physical revision and non-tariff (import permits, for instance) requirements are verified the Functionary designated by the authority proceeds with the liquidation and electronic authorization for the merchandise "Pick Up". The user receives a copy of the declaration signing the one that remains in the customs custody.

Of the selectivity result

If the declaration is anticipated and it was submitted to a second registry (in other words, the original declaration documents are in the custom where the second registry took place), the declaration in the border was transmitted (run) with the transport documents.

The entrance or internal customs will have to coordinate all relating to it, for the operation completed to be compiled in one unique file in the custom that gave the end to the entrance procedure.

For the prior to happen, the border custom or port of entry submits to the internal custom for clearance or verification, the original transport documents and the transit guide when it proceeds.

XI. Abandoned Merchandises

11.1. When does the abandonment of merchandise occur?

The abandonment of merchandise occurs when the period to submit the merchandise to a regime voluntarily or not, expires; the merchandise become controlled by the Treasury. In this case, the State assumes that when the importer did not request the imported and other procedures for its merchandise within the periods established by legislation, he/she has renounce to them.

THE ABANDONMENT CALLED TACIT OR IMPLIED IS UNDERSTOOD WHEN

- The merchandise in the temporary warehouse is not submitted to any procedure 20 days after its arrival to the warehouse.
- The merchandise in the temporary warehouse is not picked up 30 days after the pickup authorization.
- The non-accompanying luggage (which arrived separated from the traveler) is not picked up after 3 months counted from its arrival date to the country.
- The samples are not picked up by the interested 1 month after the State notified the interested to pick them up.
- The merchandise in a regime of custom warehouse or customs warehousing were not picked up in no customs procedure and the allowed period was fulfilled.

11.2. What happens with the merchandise in abandonment?

The merchandise in the condition of abandonment is submitted to public auction by the customs authority.

11.3. Can the importer recover merchandises once fallen into abandonment?

It is possible to recover them; for this, the consignee or who proves his/her right to the merchandise, may recover them, paying all the custom duties and other applicable charges.

The limited time for the recovery from abandonment operation is one working day prior to beginning the public auction by the customs authority.

11.4. What happens with the merchandise that was not adjudicated?

If the merchandise is not adjudicated in the auctions, the Customs authority may dispose of them and:

- Sell them to government institutions.
- Donate them to the public beneficiary.
- Destroy them.

XII. What is the Unique Importers' Window?

The One-Stop Import and Export is the office that integrates into a single physical point, delegates from the different institutions involved in granting permits and import authorizations. This office is called CIEX El Salvador and is located in the premises of the Central Reserve Bank of El Salvador, Alameda Juan Pablo II Avenue between 15 and 17 north main floor.

Its objective is to realize the coordination of various state institutions to facilitate the process by importing and exporting goods. Has benefited more than 40,000 importers, 3,500 auxiliary governmental public institutions issuing customs permits and import authorizations, producers and the general public, reducing costs and time.

This window is coordinated by the Central Reserve Bank of El Salvador, and there are represented by the following delegates

- Public Health and Social Assistance Ministry.
- Agricultural and Livestock Ministry.
- National Defense Ministry.

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- Environment and Natural Resources Ministry.
- Public Health Superior Council.
- Customs General Directorate.
- Chemistry and Pharmacy Board.

As a result of this governmental initiative, it is possible to quantify the benefits that the importer/exporter users have obtained so far:

- Facilitation of the import for 100% of the products that require an authorization from any of the participating Ministries.
- The window has simplified 46 types of import procedures. As of 2008 over 100,000 import procedures have been completed, including the issuing of custom permits and authorizations.
- A reduction of the procedure time from twenty days to ONE day.
- Reduction of the costs of the transactions for the companies in 90% (this is how it has been expressed by the interested); as well as the associated periods for the import operations, from days to minutes.
- The transfer of people to multiple institutions that issue the permits is avoided, because the requests are presented in just one place.

SKETCH OF THE UNIQUE IMPORTER'S WINDOW LOCATION



Location: Import Single Window was previously located in Boulevard de los Héroes No. 1229 SSbetween Cherry and Building The Flea Market, moved from February 14, 2011 at the premises of the Central Reserve Bank of El Salvador.

CONTACTS OF THE UNIQUE IMPORTERS' WINDOW

| Institution | Coordinators Of Work | Telephone | Electronic e-mail |
|--|----------------------|---------------------|--|
| Agricultural and Livestock Ministry | | 22818533/2281-8523 | immag2@bcr.gob.sv |
| Public Health and Social Assistance Ministry | | 2281-8535/2281-8532 | immspas2@bcr.gob.sv |
| Surveillance Board for the Profession - Pharmaceutical Chemistry | | 2281-8526/2281-8534 | imjvpqf1@bcr.gob.sv , imjvpqf2@bcr.gob.sv |
| Public Health Superior Council | | 2281-8528/2281-8529 | imcssp1@bcr.gob.sv , imcssp2@bcr.gob.sv |
| Environment and Natural Resources Ministry | | 2281-8530 | immarn@bcr.gob.sv |
| National Defense Ministry | | 2281-8524 | immdn@bcr.gob.sv |
| Customs | | 2281-8505/2281-8506 | imdga1@bcr.gob.sv , imdga1@bcr.gob.sv |

XIII. Custom's Authority Faculties

The customs faculty concept has to do with the legal authority (set of rights, faculties and competencies that the legislation on this matter gives exclusively to the El Salvador Customs Service), handing them the authority to execute their control and oversight functions. This Authority materializes in one functionary who has the duty of complying and enforcing the legislation.

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This compliance is done through: visits to businesses, industrial, commercial or service establishments require and examine the needed information to check the correct compliance of the legislation.

13.1. General Faculties

The principal rights that the custom has in the enforcing exercise are, among others:

- a) To check the compliance with the custom duties (good declaration and good payment).
- b) To check the compliance with the obligations and duties of the auxiliaries (good declarations and calculations of payments).
- c) Require the information that the auxiliaries, importers, exporters, deponents and third parties must watch over.
- d) Visit businesses, importers and exporters among others, to conduct audits.
- e) Investigate possible custom infractions, when proceeds.
- f) To check the correct use of the information systems authorized by the Customs Service.
- g) Verify the correct use of the merchandise the entered with some tax stimulus such as franchises, exemption or reduction of the custom duties and taxes; as well as if the beneficiary complies with the conditions of the law that provides the benefit.

Security and Identification Measures

The Custom Service may request measures to identify the merchandise, for example for guaranteeing the compliance with the conditions of the customs regime to which the merchandise is declared, such as security mechanism in the transportation means, which once installed, only customs can remove directly.

13.2. Custom's Declaration Verification

To verify (inspection) the Customs Declaration that has been presented, the Customs submits the procedure to a selective and random process, in this system that looks like a traffic light, it can be decided if the merchandise is going to be verified immediately (red), if only the documents are going to be verified (yellow) or if on the contrary the merchandise is released immediately from the custom (green).

Nonetheless, the custom may decide to conduct a revision within the following 5 years of that clearance; in other words, if at the entrance it is decided not to review, it does not lose its right to review after that moment up to five years later.

13.2.1. Before the Clearance Process

LEGAL RECEPTION OF THE TRANSPORTATION MEANS

Every transportation mean that crosses the border through the authorized places is received by the custom located there.

The customs authority revises the documents and declarations that by law or regulation are require for the type of transportation, merchandise or people; and after this, the embarking or disembarking of people and loading or unloading of merchandise is authorized.

The control measures that the custom uses in the reception of the transportation means may be:

- a) Inspection and registry of the transportation mean.
- b) Close and seal the compartments that could be used for hiding merchandise.
- c) Verification of the documents that accompany the transportation mean.
- d) Order permanent Surveillance of the transportation mean.

Nevertheless, the Custom may also use de selectivity and random criteria when considered appropriate in the reception process of the transportation mean.

ACCEPTANCE OF THE DECLARATION

The declaration of merchandise is given as accepted when it is successfully registered in the information system authorized by the Customs Service. The acceptance does not imply approval of the information transmitted, but it does allow that the interested or his/her representative may request to the custom to continue with the process.

13.2.2. During the Clearance Process

Once the selectivity criterion is applied, if the result is the immediate verification (inspection), the Customs Administrator assigns a View Accountant (functionary in charge of conducting the inspection).

The interested or his/her representative is who must accommodate the merchandise for its revision and the period for the customs functionary to begin and finish the inspection is of one day; nonetheless, if due to the characteristics (size, quantity, etc.) or nature (type), is justified a longer time, this is extended.

13.2.3. After the Clearance Process

The Customs Authority, may even after the clearance of the merchandise, verify with the importer the veracity of the declared and the compliance with the corresponding custom and foreign trade legislation. The timing for this revision is within the 5 years that count from the moment that the Customs Declaration was accepted. The result of this revision may be the charge of custom duties and taxes left without charging at the rightfully moment of charging the interests and surcharges that proceeded.

The prior in conformity with the Articles 33, third subsection, of the Special Law to Sanction Customs Infractions and the 14th of the Customs Simplification Law.

XIV. Application of Special Treatments

14.1. Merchandise covered by the General Treaty of Central American Economic Integration

These merchandise may be found free of custom duties for the import and to obtain this right, they must be imported included in the Central-American Customs Unique Form (FAUCA), obtained in the country of origin; in other words, must be elaborated in Guatemala, Honduras, Nicaragua or Costa Rica.

14.2. Merchandise covered by Other Treaties or Free Trade Agreements

The merchandise covered by a Treaty of Free Trade that had been signed by El Salvador and that it complies with the origin regulation that defines the tariff fraction in where it classifies, have to be included in the document defined in the texts of the treaties, in order to be able to enjoy the benefits expressed in the treaties; these benefits may be the non-payment of the total or partial custom duties to the import.

El Salvador has signed and is negotiating several treaties and free trade agreements. Because of this, it is recommended that the reader may improve and detail the information in the following Web page: www.minec.gob.sv.

14.3. Free Trade Treaties Endorsed by El Salvador

The Free Trade Treaties that are in effect in El Salvador are the following:

| TLCs | OFFICIAL JOURNAL | | D.L. IS RATIFIED BY TLC |
|----------------------|------------------|------------|-------------------------|
| | No. | DATE | |
| CAFTA | 17 | 25/01/2005 | 555 |
| MEXICO | 48 | 07/03/2001 | 214 |
| PANAMA | 206 | 04/11/2002 | 1013 |
| COLOMBIA | 171 | 12/09/2008 | 699 |
| TAIWAN | 155 | 24/08/2007 | 383 |
| REPUBLICA DOMINICANA | 98 | 27/05/1999 | 590 |
| CHILE | 218 | 19/11/2001 | 567 |

For consulting the regulation of these Free Trade treaties, the following Web page can be accessed: www.minec.gob.sv.

XV. Rules of Origin

They are a set of regulations agreed by countries when negotiating the Treaties and Free Trade Agreements. In order to establish certain criteria, such as: as to what products or merchandise was made or the value of those products that were used, whether that end may be either exported or imported, including a certificate of origin and as a result, avoid full or partial payment of customs duties on imports.

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To view the requirements of origin, required by each of the specific rules of origin contained in DR-CAFTA, these can be consulted on the Internet or on the Customs Web at the following address: <http://www.origencaftabid.org>.

15.1. Documents to Certify Origin

The origin can be checked by a document called: Certificate of Origin to be made and signed by whom the free trade agreement makes reference, and indicates if the exporter or importer is who must sign it.

There are treaties which allow goods that have a certain value, would be sufficient with the presentation of a commercial invoice from the exporting country.

15.1.1. Declaration of Origin

There is another document that is used when the exporter is not the producer of the good as well; and he/she needs to ensure that the exported merchandises comply with these rules. The producer gives the exporter a Declaration stating that the good has been produced under the rule of origin negotiated and the exporter then generates the Certificate for its buyer in the importing country.

This declaration does not replace the Certificate of Origin.

15.1.2. Certificate of Origin

When the exporter also serves as producer, may issue the Certificate of Origin directly and send it to the importer to be used during the importation process of merchandises.

There are some treaties that allow the importer to certify the origin of merchandises.

In all cases, the importer will be responsible for the legal and economic consequences before Customs if it is found during or after the import operation that the Certificate was not applicable.

15.1.3. Certificate of Origin through the Commercial Invoice

It is possible to a certain amount according to what has been negotiated in each Treaty, to certificate the origin of the merchandises in the commercial invoice, which can be treated within the specified format and features for a Commercial Invoice, it may be possible that within the treaty there could be a form and characteristics that can serve for this purpose, even though it does not apply to date.

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XVI. Tariff Classification

16.1. What is Tariff Classification?

Classify, is the process of assigning a merchandise, the subsection (or fraction) tariff it deserves in accordance with the Central-American Tariff System.³

One tariff subsection is a code. In El Salvador, this subsection is composed of eight digits:

- Firsts = Chapter
- Following Two = Item
- Other Two = Sub item
- Remaining = Subsection

Example **[49.11.10.10]**

[49.11]10.10: indicates that the merchandise is in chapter 49, position 11 = printed papers.

49.11[10] 10: indicates that the merchandises are printed advertising, commercial catalogs and similar.

49.11.10[10]: The second 10 indicates that are catalogs for explaining the machines handling and information; and medicines, for example.

The first six digits are universal; in other words, any country in the world that uses the Harmonized System, the 4911 10 is the same merchandise as in El Salvador.

Each tariff subsection determines not only what merchandises they are, but also is associated with rates of customs duties and internal taxes (which are levied at customs level) that must be applied over the customs value of the merchandise.

If the importer has reason to doubt the tariff classification of goods before, during or after the submission to the regime chosen, he/she has the possibility of requesting a criterion to the customs authority.

XVII. Prohibitions, regulations and non-tariff restrictions

The obligation for the importer or exporter in customs matters can be classified into two major aspects: a) *customs tributary obligations*, which are the duties and taxes due on the importation or exportation of merchandises, and b) *no-tributary obligations*, which are non-tariff restrictions and regulations.

Within the latter can be found in a general way, prohibitions, restrictions and regulations, such as the following, which are some of its more relevant topics.

17.1. Prohibit importation

| Prohibited Imports |
|--|
| <ol style="list-style-type: none">1 Books, pamphlets, flags, currency, emblems, posters and other items of subversive character or doctrines contrary to the established political, social and economic of the State.2 Figures and statues, book pamphlets, calendars, journals, articles Lithography or engravings, newspapers, lithography, cards and other items of obscene character.3 Movies against ethics and morality.4 Abortive Products.5 Machines for playing money.6 Roulettes, table games and other useful or fixtures for games prohibited.7 Opium containing less than 9% of morphine, opium slag and ash and supplies used to smoke.8 Paper without stamp for cigarettes, white or colored, in sheets, rolls, bobbins or in the form of booklets or tubes.9 Machine and tools to produce coins.10 Counterfeit coins and bills.11 Smooth Silver coins and fine of less than 0,900.12 Chips of any metal or its alloy, which may serve to circulate in substitution of the legal current currency. |

17.2. Restricted Imported Articles

These products require authorization from the state entity that is responsible for regulating its use in El Salvador:

| Restricted Imports | |
|--------------------|---|
| 1 | Firearm. |
| 2 | Accessories and ammunition for firearms. |
| 3 | Cartridges for firearms. |
| 4 | Appliances and other accessories needed for loading cartridges. |
| 5 | Gunpowder, explosives, percussion caps and fuses. |
| 6 | Masks protective against Asphyxiating. |
| 7 | Wind shotgun. |
| 8 | Weapons white use is prohibited. |
| 9 | Erotic and narcotic drugs. |
| 10 | Poisonous chemicals in nature, incendiary or explosive deflagrated. |
| 11 | Chemicals and pharmaceuticals in general. |
| 12 | Liquors strong foreigners. |
| 13 | Essences to make liqueurs. |
| 14 | Equipment and machinery for distilleries. |
| 15 | Burnt Sugars. |
| 16 | Extract malt burned, proper for coloring beer. |
| 17 | Candies for coloring alimentary products. |
| 18 | Coffee in a way that could be used as seeds for planting |
| 19 | Sugar crude, refined or semi-refined either cane or beet sugar. |
| 20 | Saccharin and its derivatives. |
| 21 | Apparatus or machines to frank correspondence. |
| 22 | Grape juice, chemical materials and preparations of any kind that might be used in the manufacture of imitation grape wine. |
| 23 | Solid Pastes and powders that are results from the condensation of wine and which may; therefore, serve to do so. |
| 24 | Wines thick or dense that could be weaken to be expendable as an item. |

17.3. Stagnant Articles whose importation is reserved to the State

These items can only be imported by the El Salvador government:

| Imports Limited to the State | |
|------------------------------|---|
| 1 | Ammunition and war material. |
| 2 | War airplanes. |
| 3 | Military rifles. |
| 4 | Pistols and revolvers of every kind, size 41 or larger. |
| 5 | Regulation firearms of the Army of El Salvador. |
| 6 | Silencers for all types of firearms. |
| 7 | Potassium nitrate (nitro salt, nitrate, kalium nitrocum). |
| 8 | Eau-de-vie, in the rough. |
| 9 | Stamped paper for cigarettes, white or colored, with or without impressions, in sheets, rolls, bobbins or in the form of booklets or tubes. |
| 10 | Fiscal stamps or municipal, postage stamps, and all other valued fiscal species. |
| 11 | Nickel coins legally used in the country. |
| 12 | Warships of all draught, including submarines and landing vehicles. |
| 13 | Anti-gas masks for military use. |

17.4. Tariffs Contingencies for Agricultural Products

General Theoretical Base

A tariff contingent is a specific quantity of a product that can be imported for a specific time (one year or six months, for example), paying custom Duties on imports lower than those normally paid for such goods.

As soon as the amount allowed is reached, is when re-importing the merchandise is authorized having to pay the usual custom Duties.

For example, if at a given moment in El Salvador the domestic production of beans is lower than that consumed in the country, it is allowed to import beans with a lower tariff to meet the national need, once that need is satisfied, the possibility is closed and the beans that are imported afterwards, must pay the Duties as always.

To broaden the information regarding the products that can be included as contingents, the reader may turn to the Decree No. 46 dated 10/28/99; Official Gazette No. 203, Book No. 345 dated October 29, 1999, "Regulation On the Opening and Administration of the Contingents" of the Agriculture and Livestock Ministry.

How is a "Contingent" administered?

The contingent tariffs are managed using codes that the custom assigns to the agreements and licenses that the Ministry of Economy gives to the beneficiary.

When the importer or his/her representative prepares the customs declaration of merchandises, he/she must indicate these codes in order to apply the benefit, if he/she commits a mistake in identifying the codes; he/she may lose the benefit and be charged all the proceeding Customs Duties and taxes.

For more information about the procedures used by customs and users who report before it, the reader may refer to the El Salvador Customs website: www.mh.gob.sv

17.5. Safeguard Measures for Agricultural Products

Safeguard measures like the Continents are temporary, presented here are those that apply to the Agricultural Products. In these measures the taxes that are levied in customs for certain agricultural products are increased.

For example, if there is an excess in the bean production, then what the government wants is that the national producer sales their entire harvest; then the beans taxes are raised to make it very expensive to import them for a while; this way the importers of beans will not want to import these and the national beans may be all consumed primarily in the local market.

To use this measure the government of El Salvador has to obligatory refer to Article 5 of the Agreement on Agriculture of the World Trade Organization (WTO), so that it can only apply in certain cases, for some time due only to the volume and price; and they have to justify themselves before the members of this Organization.

The products in which, according to some Free Trade Treaties, El Salvador can use this Agricultural Safeguarding are:

| CARTA | MEXICO | PANAMA |
|---|--|---|
| <ul style="list-style-type: none"> ▪ Pork Meat ▪ Rice staple; processed and Precooked ▪ Milk powder and fluid ▪ Serum, butter, curd and yogurt ▪ Butter ▪ Cheese ▪ Ice cream ▪ Sorghum ▪ Beans ▪ Vegetable oil ▪ Processed Meat ▪ Corn Syrup high fructose ▪ Chicken | <ul style="list-style-type: none"> ▪ Bacon ▪ Onions ▪ Avocados ▪ Yellow corn ▪ Wheat flour ▪ Meat processed of pork, poultry, beef, hams and mixtures ▪ Mixes and dough for bakery products, etc. | <ul style="list-style-type: none"> ▪ Cheese with fat content of over 1 and no more than 6, fresh and un-ripened, mozzarella and cheddar type |

XVIII. Export Regimes

Concept: The *export* consists of one country referring to another country by air, land or aquatic ways, merchandises destined for use, consumption, repair or change.

The export may be permanent or temporary.

18.1. Definitive Export

The definitive export is the exit from a country of nationalized or domestic merchandises (which were imported before) to be used or consumed permanently in another country.

The use of a Customs Agent to conduct the export, is not binding in this regime.

The Agent is also optional when conducting submissions of Temporary Export, Re-export and Export for improvement and passive regimes.

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General Requirements:

- Possessing a number NIT * Tax Identification Number.
- Transmit the information electronically to the Exit Customs or Jurisdiction of the zone where, for instance, a business in a Free Zone.
- Submit a Statement of Merchandise or FAUCA (Central-American Customs Unique Form) signed and stamped by the Legal Representative or Special Customs Representative.

* If he/she does not have a NIT, he/she can go to the Attention Unit for Users or to the corresponding Customs to register.

18.1.1. Export's Declaration Content

The data that must be included in the Export Declaration are:

- Exporter Identification and tributary registration (NIT).
- Identification of the customs agent, as appropriate.
- Identification of the carrier and the transport means.
- Country of origin, source and destination of the merchandises, if any.
- Number of cargo manifest and transport document.
- Packages characteristics, such as: quantity and class.
- Gross weight in kilograms of merchandises.
- Tariff classification and commercial description of the merchandises.
 - Value FOB (Free on Board) of merchandises for customs purposes In other words, the value that includes freight to the port or place of departure from El Salvador
 - Amount of customs tributary obligations, (that must paid for Export duties) when appropriate.

* If he/she does not have NIT, this must be obtained at the Internal Revenue General Directorate (DGII) and Attention Unit for Users or the customs would enter it in the Customs System.

18.1.2. Documents that must accompany the Export's Declaration

- Commercial Invoice with the information that Article 114 of the El Salvador Tributary Code requires.
- Document of the international transport, for example Maritime Bill of Lading (B/L), Waybills, Air Waybill (AWB) or another equivalent document.

- Licenses, permits, certificates or other documents reflecting that the restrictions or regulations on Sanitary export permits were met.
- Any other documents that for the type of merchandises or regime that they arrive from to require the submission of a customs clearance for export.

The above-mentioned documents should be attached to the Export's Declaration of Merchandises in original and copy.

Regardless of the amount of export, the Exporter may also conduct the procedure through the customs system MODBRK or CENTREX (see website CENTREX: www.centrex.gob.sv).

18.2. Temporary Export with Re-importation in the same condition

This regime allows that merchandise authorized by Customs to be exported for a specific purpose, such exhibition, films, sports games among others; and by the time they remain outside the country, without being forced to pay duties and taxes to Export (when they are applicable).

The conditions for the merchandises to use this regime are:

- Possessing a number NIT *. (Tax Identification Number)
- Be fully identifiable.
- Have not been transformed.
- Return to country within the established period.
- If the merchandises do not return to the country and were subject to payment of duties and taxes, the exporter must pay the amounts due immediately.

* If he/she does not have a NIT go to the Attention Unit for Users or to its corresponding Customs for registering.

18.3. Temporary Export for Passive Improvement

This regime allows the temporary exit of merchandises, from the country for a period authorized by Customs, that might be subject to transformation operations, development, repair or other permitted, without being obliged to pay customs duties and taxes to export (when applicable).

The conditions for opting for this regime are:

- Possessing a number NIT *. (Tax Identification Number)

- Being fully identifiable.
- Return to the country within the established period.
- If the merchandises do not return to the country and were subject to payment of duties and taxes, the exporter must pay the amounts due immediately.
- If the merchandises are sent out for repair and are declared within the warranty period, the exporter must preserve evidence of such a situation

* If he/she does not have a NIT go to the Attention Unit for Users or to its corresponding Customs for registering.

XIX. Clearance Process for Exportation

The Clearance for the export may conducted by a Customs Agent, a Special Representative, a Solicitor or the same exporter through Customs or customs system MODBRK or CENTREX (see CENTREX website: www.centrex.gob.sv).

It is important that who decides to participate in this process understands that transparency and accuracy of the information presented is essential to avoid risks of committing an act that might be punished by the Customs Authority.

19.1. What is the clearance process for export?

It is the set of activities that must be carried out by exporters, their intermediaries and the customs authority to send their merchandises outside of El Salvador.

19.2. Exporters' Obligations

The exporters acting directly or through an intermediary have inescapable obligations within the export process.

19.2.1. Before Clearance Process

- Possessing a number NIT.
- To transmit the information electronically to the Exit Customs or Jurisdiction.
- Sign the customs declaration or FAUCA. (he/she who signs is the legal representative or (the special customs representative).
- Fill out and sign the certificate of origin (when applicable).
- Present the commercial invoice correctly.
- Comply with the non-tariff regulations (inspections or Sanitary permits).

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Documents that facilitate the process

- If the merchandise will be repaired abroad under warranty, the exporter must have a document evidencing the guaranty.

19.2.2. During the Clearance Process

Collaborate with the Customs when it requests information, turning it in within the established period or when the merchandise is required for revision.

19.2.3. After the Clearance Process

- Provide a copy of the certificate or declaration of origin when the Customs or the competent Authority of the importing country requests it.
- Correct the information contained in the declaration and/or export documents (if applicable).
- Keep a copy of the Certificate of Origin for a minimum period of 5 years.

19.3. Obligations of the Intermediaries

The process of exporting includes several providers of service; among them, the international carrier which is who carries the merchandise to the destination indicated by the exporter.

In some cases there may exist the participation of a customs agent who introduces the declaration under the instructions of the exporter, but cannot ignore the obligations that the law imposes.

19.3.1. Before Clearance Process

For a customs agent

- Verify the coincidence of documents and export declaration.
- Inform the exporter of any difference or errors in the documents to be corrected.
- To prepare the export declaration based on documents received and conduct its procedure in the customs.

For a carrier

- To prepare the transport document based on the documents accompanying the export declaration.
- Inform the exporter of any difference or error in the documents to be corrected.

19.3.2. During Clearance Process

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For the customs agent

- Inform of the corrections to the information contained in the declaration, documents and/or nature of the cargo to be corrected. (when appropriate)

For the carrier

- Inform the exporter and the customs or the corresponding authorities, of any difference or error in the documents and/or nature of the cargo to correct them.

19.3.3. After Clearance Process**For the carrier**

- Report to the exporter and the customs or the corresponding authorities, any inconsistency or error in the documents and/or nature of the cargo.
- Submit corrections to the information contained in the declaration and/or documents. (when applicable).

XX. Procedure for Exporting Merchandise

The process of exporting merchandises for exportation may include verification of compliance with export permits and the Customs will not provide the authorization of exit until these requirements are satisfied.

The exporter may submit his/her procedure at an internal custom or at the exit custom.

If the merchandise to be exported are from El Salvador and its destination is Honduras, Nicaragua, Costa Rica or Guatemala the procedure should be presented with a Central-American Customs Unique Form.

In the case of Guatemala, El Salvador has a special procedure at the respective border according to an agreement signed between the two countries.

If the merchandises to be exported are not originated in El Salvador and its destiny is Central America, or any third market, the procedure should be presented covered by an Export Declaration.

In all cases, the procedures are subject to the application of the selectivity process in the formality.

20.1. Presentation of the Declaration in the Internal Customs

It is important to indicate that all documentation must be presented completed for the Customs Authorities to activate the selectivity process.

1. The deponent presents himself/herself to the Customs office in which he/she transmitted the declaration of merchandise.
 - Handing the following documents.
 - Two printed copies of the Declaration.
 - The original documents required by the selected regime.
2. Customs verifies and validates the information in the documents against the registered documents.
3. If approved, the declaration is registered and submitted to the selectivity process, which takes place on the border in the case of exports.

Result of “green” selectivity (automatic pick up)

When the system indicates “Automatic Pick Up”, the user receives a copy of the declaration signing as received. Customs gives to the user the original documents presented and with this he/she proceeds to remove the merchandises for its export clearance. In this case the merchandises should be sent through transit.

Selectivity Result “Yellow”

When the system indicate “Documents’ valuation”

Custom conducts the documents revision and confirms the non-tariff requirements (for example, sanitary permits), the Functionary designated by Customs, redirects the declaration in the informatics’ system. The user receives a copy of the declaration, signs as received and Customs gives him/her the original documents submitted and with these they proceed to remove the merchandise for its export clearance.

Selectivity Results “Red”

The system indicate “Immediate Verification”

In this case, it is always requested all documentation before the selectivity, and the verification is always conducted at the custom where the declaration is liquidated.

Once the physical revision is done and the non-tariff (for example, sanitary permits) requirements verified; the Functionary appointed by the authority proceeds with the liquidation and electronic authorization for the "Pick up" of the merchandise.

The user receives a copy of the declaration, signing as received and the Custom gives the original documents submitted; and with them, they proceed to remove the merchandise for its export clearance.

In the case of exporting merchandises liquidated in the internal customs, the clearance of merchandises from internal customs towards the exit custom is always done through customs transit.

20.2. Introducing Declarations in Border Customs

Declaration of Merchandise

1. The exporter presents himself to the Customs to which he/she transmitted the declaration of merchandise.
 - Handing the following documents.
 - Two printed copies of FAUCA.
 - Original documents required by the selected regime.
2. Customs verifies and validates the information in the documents against those registered.
3. If approved, the declaration is registered and submitted to selectivity.

Result of "green" selectivity (automatic pick up)

When the system indicates "Automatic Pick Up", the user receives a copy of the declaration signing as received. Customs gives to the user the original documents presented and with this he/she proceeds to remove the merchandises for its export clearance. In this case the merchandises should be sent through transit.

Selectivity Result "Yellow"

When the system indicate "Documents' valuation"

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Custom conducts the documents revision and confirms the non-tariff requirements (for example, sanitary permits), the Functionary designated by the authority, redirects the declaration and the user receives a copy of the declaration, signs as received and Customs gives him/her the original documents submitted and with these they proceed to remove the merchandise for its export clearance.

Selectivity Results "Red"

The system indicates "Immediate Verification"

Once the physical revision is done and the non-tariff (for example, sanitary permits) requirements verified; the Functionary appointed by the authority proceeds with the liquidation and electronic authorization for the "Pick up" of the merchandise.

The user receives a copy of the declaration, signing as received and the Custom gives the original documents submitted; and with them, they proceed to remove the merchandise for its export clearance.

20.3. Introducing Declarations in Border Customs with Guatemala

Using the FAUCA

1. The exporter presents himself to the Customs to which he/she transmitted the declaration of merchandise.
 - Handing the following documents.
 - Two printed copies of Declaration.
 - Original documents required by the selected regime.
2. Customs verifies and validates the information in the documents against those registered.
3. If approved, the declaration is registered and submitted to selectivity.

When the user presents his/her export directly to the window of SAT, Guatemala Customs applies the selectivity (physical inspection or automatic pick up).

Result of "green" selectivity (automatic pick p)

The system indicates "Automatic pick up", the El Salvador Customs Functionary proceeds to file the declaration. The Guatemala Customs proceeds to clearance the merchandise.

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Selectivity Result "Yellow"

When the system indicate "Documents' valuation"

Once verified the documents revision and confirmed the non-tariff requirements (for example, sanitary permits), the Functionary designated by the authority, redirects the declaration and the Functionary of the El Salvador proceeds to file the declaration.

Selectivity Results "Red"

The system indicate "Immediate Verification"

Transfers the documents to the customs officer who conducts the inspection in a documental manner and if all is correct he proceeds to do the liquidation of the FAUCA and files it.

20.4. Re-exportation

20.4.1. ¿What is the re-exportation?

It is the shipment of merchandise arriving at the national territory but not definitely imported.

These merchandises may be found under a suspension of the rights regime, such as the temporary storage or customs warehouse or a special regime as the Active Improvement, or have been admitted under a Temporary Importation.

These merchandises can also be returned because the importer found before importing them that they do not correspond to those request by him or for having reached an agreement with its supplier to send them back or elsewhere.

The declaration of the Re-export will contain identical data to that on the Export Declaration including the identification of the merchandises when necessary, in order to cancel the temporary importation.

20.4.2. Is it possible to re-export merchandises if they had fallen into abandonment?

Customs does not allow merchandises that fell into abandonment to be re-exported.

20.4.3. Is it possible to re-export surplus merchandise?

If it is regarding "leftovers" of merchandises detected at the custom and that were not justified before customs at the time or in the form that is required, Customs does not authorize the re-export.

XXI. Infractions and Sanctions

The infractions and penalties related to the customs operations and activities, which were briefly stated in 2.2.1. , fall under the Special Law for Sanctioning Customs Infractions.

21.1. What are Infractions?

The *Infractions* are behaviors that the law has defined as acts or omissions that violate the customs rules, agreements, conventions, treaties and other instruments on trade; and other that regulate the entry and exit of merchandises into and from the national territory; in other words, any transgression or attempted violation of customs legislation. Thus, customs offences are classified as: a) administrative, b) tributary and c) criminal.

21.1.1. Administrative Infractions

Administrative Infractions

Those acts or omissions defined in the law, which constitute a breach of the customs rules or regulations set out in agreements, conventions, treaties and other instruments on trade, but not causing tributary damage (in other words, that they do not imply that the state has left the collecting as a result of an action by the offender), but that has not been defined as a crime.

The administrative violations in customs matters are defined in Article 5 of the Special Law for Sanctioning Customs Infractions.

It is recommended that the reader refers to this law for more detail.

Following there is a list of examples of these infractions definitions:

- a) To transit outside the established routes or the non-compliance of the deadlines for the customs regimes' transit procedure, without any valid reason that could be classified by the customs authority as a fortuitous event or force majeure;
- b) The presentation out of 45 days period for Temporary Storage and of one year for the Customs Warehouse Regimes of the merchandises declaration and of the other documents required under the customs regime or operation in question;
- c) Failure to retain or maintain archived, complete and in good condition for five years from the date of acceptance of the respective declaration of merchandise, documents and

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records necessary to establish and verify the exact compliance with the customs tributary liability, without detriment of considering this behavior as an indication of the role of criminal tax violations and initiate an aimed investigation;

- d) The impediment or obstruction to the actions that the General Directorate has to perform for the control of customs procedures, without prejudice of considering this conduct as an indication of the role of criminal tax violations and initiate an aimed investigation;
- e) Refusing to provide a signed and stamped copy by the taxpayer, of the documents required by the General Directorate; as well as, not delivering the information required by the General Directorate or by its auditors contained in books, records, files, magnetic media or any other material means, regarding facts that are being compelled to know, in relation with its own activities.
- f) All other identified in the existing customs legislation.

21.1.2. Tax Infractions

Tax Infractions

Those acts or omissions defined in the Law, which constitute a breach of customs legislation or regulations laid down in agreements, conventions, treaties and other instruments on trade, causing tributary damage (in other words, implying that the state has left the collecting as a result of an action by the offender) but that they are not a crime.

It is recommended that the reader refers to this law for further details.

Following there is a list of examples of these infractions definitions:

- a) Failure to provide the declaration of merchandise to the Customs Authority and the non-payment of the taxes within the legally established deadline; or the introduction of the declaration of merchandises for definitive import or export with omissions or inaccuracies in its information.
- b) Obtaining benefits or exemptions from duties and taxes on imports of merchandises that do not meet the conditions prescribed by the respective laws for granting theses or when the beneficiary is not entitled to enjoy the same or submit an invalid request for preferential tariff treatment; likewise, when the importer requests a decision or advance rulings by letter, covering it on false information or omitted relevant facts or circumstances related with the application; or fails to act in compliance with the terms or conditions of the

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resolution or advance rulings, gaining with such conducts, exemptions of duties or taxes or any fiscal benefit.

- c) The unjustified existence of surplus merchandises in relation to those consigned in the cargo manifests, which had not been entered in the respective declaration, without detriment of the duties and taxes on imports to be paid by such surpluses.
- d) Not submitting the definitive import declaration and failing pay in its totality the respective taxes on imports, which correspond to Vehicles admitted under special temporary import regimes enjoyed by importers and distributors of used vehicles.

Can the Tributary or Administrative responsibility be modified?

It is possible for the importer or his/her representative, in the case of administrative or tributary infractions and sanctions to correct his/her declaration for the gravity of his/her mistake do not cause him/her a major problem.

Article 14 of the Special Law for Sanctioning Customs Infractions lists in which time and through what mechanisms this benefit can be implemented:

- a) **Spontaneous Auto-correction.** No sanction would be applied when whom commits an administrative or tax infraction, recognized it and amended it on their own free will, provided that he/she has not disposed or initiated the exercise of the immediate verification, verification of origin, post control or a resolution modifying or revoking a decision or advance rulings based on the incorrect or false information has been issued by the customs authority on the operations seeking to be rectify.
- b) **Extenuating circumstance for accepting responsibility.** When he/she who commits an administrative or tributary infraction, accepted in writing the charges during the 15-day hearing that was granted within the course of the procedure for imposing the respective; voluntarily offering to pay the corresponding sanction, in this case, the sanction will be attenuated by 50 percent. However, this extenuating circumstance does not apply to whoever is a reoffender of the infractions to which the literal is concerned; it is understood that whoever returns to incur on any administrative or tributary infraction within six months from the date on which it has enjoyed such a benefit.

21.1.3. Criminal Infractions

Criminal infractions are malicious acts or omissions or fault that are considered a felony for the law it does not-comply with or that violates in customs matters or agreements, conventions, treaties and other instruments on commercial trade.

These actions may cause a fiscal damage; in other words, that the state has missed to receive payment as a result of the action by the offender.

It is also considered Criminal Infraction avoid, evade, alter, obstruct or prevent that the custom or the authority may carry out their monitoring activities or cause damage to the means used in carrying out that function, an example to the above is the crime of contraband.

What is Contraband?

The Contraband is an action that claims completely avoidance of controlling authority over the imports and exports operations; and causing economic damage as a result for the public finances; or puts at risk the country for evading the sanitary controls, for example.

Some examples found in the Law in question are:

- a) The entry into the country or exit from the same evading customs controls, the possession or trade of illegal products stagnant or of prohibited import or export;
- b) The introduction of merchandises taxed to the national territory or by the exit of the same, through places not legally enabled to do so;
- c) The concealment of merchandises at its entry or exit of the country through the customs or any other way that could be regarded as illegal, so that they are not subject to customs controls;
- d) The unloading and loading of foreign merchandises in places not cleared and without specific authorization; among others.

Other Crimes

Other crimes that are defined in the Law which has been mentioned are Passive Briberies, in this crime; a state official gets something in return for delaying or failing to comply with its obligation.

It is also mentioned Active Briberies which refers to the person who delivers to the officer something in exchange for delaying or failing to comply with his/her obligations.

21.2. Sanctions and its Procedures

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What is a sanction?

The sanction is the punishment imposed by the administrative or judicial authority when a violation to an infraction or felony is proved.

What types of sanctions are applied in customs?

The sanctions in Custom can range from fines, suspensions and cancellations, even imprisonment; in the Law that has been mentioned and of which its reading is recommended, there are also defined cases of aggravating and the procedure for implementing the sanctions; and the authority's right to seize (confiscate) the merchandises and their transportation means.

This same law also states the rights of people to whom an investigation is initiating for allegedly having committed a customs infraction and the administrative resources or other rights under the legislation of El Salvador to carry out his/her defense.

XXII. Contest Resources**22.1. What are the Means of Challenge?**

The means of challenge are the ways in which the importer or his representative can go against the administrative or judicial acts emitted by the authorities that affect them because forces them to fiscal's credits, imposes a fine or other sanctions.

These means are called resources and are a "means for processes" conferred by the State to who feels that has been harmed by an administrative authority resolution; or a judge or a court of law and that could be presented in writing before the authority which emitted the act to be reformed or before his superior to revoke it.

In Customs matters at the Central-American level, the Central-American Uniform Customs Code (CAUCA) guarantees this right and the Regulation of the Central-American Uniform Customs Code (RECAUCA), the procedures and method by which the interested person can exercise it. But these same instruments refer that they are usable when one's own country has resolved it or has not a similar legislation.

El Salvador, will use the Law for Sanctioning Customs Infractions

22.2 How is an "Appeal" presented in El Salvador?

The appeals to manifest disagreement with a resolution or customs' act which directly affects an interested can be presented with the following minimum requirement:

It is recommended to read the Article 45 of the Special Law for Sanctioning Customs Infractions.

Minimum Requirements of the Interposition Document

- 1 Indicate to which authority or functionary is addressed to;
- 2 Name and generalities of the interested person or representative in its case, the latest must have an accredited legal status with which serves, as well as,
- 3 Tax Identification Number of concerned person IF is a juridical person, its legal status or legal existence would also have to be prove;
- 4 Indicate which is the act or provision that is objected (resorts) and the reasons for disagreeing, he/she would have to bring all the circumstances and articles of the regulations that support his/her reason;
- 5 Define the “exculpatory” evidence; these are those that prove that you have not culpability or that you have the reason;
- 6 Indicate where Customs can notify you the answer.
- 7 Place, date and Signature.

It is important that the interested person remembers that: This document must contain all of the allegations that he/she deems appropriate for the authority to decide with all the necessary evidence and arguments.

Presentation and Admission of the Appeal

When the interested person the presents the document to the officer that shall respond, he/she admits it (to consider it, this does not mean that is accepted) or rejects it for having some defect (erroneous data that can be corrected) within the 5 working days following its reception.

If the document is filed outside the established legal deadline, to take effect, there are 10 working days to declare its inadmissibility. (In other words, it is rejected).

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22.3. What type of Appeals can be presented?

22.3.1. Appeal for Reconsideration

It is intended to indicate the disagreement with the decisions issued by the Customs Administrator. The document must be addressed to the own Customs Administrator. It must be presented within 10 working days following the notification of the impugned resolution and it must state that it is an Appeal for Reconsideration. This resource is optional for the interested because he/she can also turn to present a document called Appeal for Revision directly before the Customs General Director.

Periods for the Appeal for Reconsideration

- 1 Appeal's Admission (document of the interested): 5 working days after interpose.
- 2 Issuance of the resolution response: 20 working days after administrative notification.
- 3 Notification from Customs to the Interested: within 20 working days following emission date.

22.3.2. Appeal for Revision

It is presented before the Customs General Director, against a total rejection or partial resolution of a previous appeal for reconsideration or against the resolutions which contain acts or omissions from the Customs Administrator; it must be presented within 10 working days following the notification of the impugned resolution

Periods for the Appeal for Revision

- 1 Appeal's Admission (document of the interested): 5 working days after interpose.
- 2 Issuance of the resolution response: 20 working days after administrative notification.
- 3 Notification from Customs to the Interested: within 20 working days following emission date.
- 4 Request to Customs or Customs Delegation knowledgeable of the administrative record: 5 working days after interpose.
- 5 The deadline for submission of the dossier, certified samples as appropriate and a detailed report of the proceedings by the customs authority that issued the act, is 3 working days after its reception.

What is the Issuance of the Resolution?

It is the issuance of the General Director's response to the letter of objection concerned (appeal for revision). The director has to resolve within 15 working days after receiving the administrative dossier, and notify the person concerned within 20 working days following the date of issuance of the response. If the interested is not yet satisfied with the answer, he/she may use other means to continue referring to this act.

How is a Resolution Notified?

The notification of the decision on the appeal is delivered as indicated in Articles 208 et seq., of the Civil Procedures Code.

22.3.3. Appeal Instrument

It is presented to the Customs General Director, against the decision to reject all or part of the appeal for reconsideration; or against the resolutions containing acts or omissions of the Customs Administrator; it must be introduced within the 10 working days following the notification of the decision impugned.

To present this appeal instrument the interested must abide by the formalities, deadlines, procedures and legal dispositions that are in the Organization and Functioning of the Appeal Courts of the Internal Revenues Law.

This Court can rule on the following situations:

- a) Formal liquidation of the taxes determined by the customs authority in respect of customs operations themselves, such as: customs duties on imports, taxes on the transfer of movable property and providing services and specific taxes applicable in imports, as appropriate.
- b) Infractions and sanctions contained in the Special Law for Sanctioning Customs Infractions, according to Article 51 in relation to Article 1 of the same law.
- c) The proper application of the tariff classification of merchandises into the Centro-American Harmonized System (SAC) according to characteristics, properties, use, etc., of the customs valuation of those; according to the requirements established in the legislation on the subject; as well as the veracity of what was stated by importers as to the origin of merchandises.

XXIII. Consultation mechanisms and Advance Resolutions

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23.1. Principle of Transparency

The principle of transparency applies as long as in carrying out their duties, Customs makes available to all users, be they importers, exporters, brokers and the general public, all the laws, decisions, judicial, administrative arrangements, etc., which generally applies, by all means possible so that the information would be accessible to all citizens.

The state must also allow and create mechanisms so that any interested citizen could consult on legislation or related information that is of interest. Under this Principle of Transparency, the technical consultations and advanced resolutions are established, indicated.

23.2. What are Technical Consultations?

The technical consultations could take place before, during or after presenting a customs declaration, even if the purchase has not been completed.

Its use allows that anyone with a legitimate interest may conduct consultations with the customs authorities regarding the application of the legal dispositions, regulations and administrative provisions governing customs procedures, tariff classification, customs valuation, occurring taxes due to the customs operations or on any other matter that is customs tributary related for that person.

How is a Technical Consultation presented?

The consultation must be done in writing and justifying his/her interest; also it has to indicate all the details and needed documents and samples whenever possible and appropriate. The deadline for the administration to respond is of 15 days; and it does so in writing. In some cases this period may be extended for an equal period, if it is necessary to conduct an investigation and analysis of the merchandise.

If the consultation is presented during the processing of imports, its presentation does not suspend compliance with the tributary and non-tributary customs obligations; and the answer issued by the customs authority, and informed to the person concerned, does not have a resolution character because it does not create rights for the concerned; and therefore it cannot be challenged.

23.3. What are Advance Resolutions?

These are formal written decisions issued by the Customs Authority, prior to an import or export operation. **These decisions are enforced.**

Advance Resolutions may be requested for, among others, tariff classification, valuation, recognition of a preference or determining the origin agreed to determined merchandise.

The main benefit is for the interested who requests the Resolution because he/she obtains a legal guarantee that the decision issued by Customs will be applied in the operation of the respective foreign trade.

Such resolutions must protect the confidential information provided by the trader, they can be revoked if a change of circumstances is operated; and whether they give a right of appeal to the applicant. In the case of El Salvador, the applications related Advance Rulings and Resolutions, according to Article 5-A of the Customs Simplification Act, are made in cases provided for in the agreements, conventions, treaties and other instruments on commercial subject; and must be resolved in the periods pointed-out in these treaties.

How is an application for Advance Resolution presented?

The request is submitted in writing, before the Correspondence Area, in accordance with the requirements of time and manner as established in the relevant Administrative Disposition of General Nature. The Advance Resolutions are acceptable when they are presented before performing the import of the merchandise and maintain their validity for a period of three years; as long as there are no changes in the conditions behind its issuance. The Resolutions are appealable.

ANNEX I. Customs: Contact Information

BORDER CUSTOMS

| NOMBRE | TELEFONO/FAX | DIRECCION |
|----------------------------|---|--|
| ADUANAS DE FRONTERA | | |
| ADUANA TERRESTRE ANGUIATÚ | Tel. 2401-0013, 2244-6439, Fax: 2401-0210 | Cantón El Brujo, Caserío Anguiatú, Metapán, Departamento de Santa Ana. |
| ADUANA TERRESTRE EL | Tel. 2649-9419, 2244-6435, Fax: | Ciudad de Pasaquina, Departamento de La Unión. |

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| AMATILLO | 2649-9710 | |
| ADUANA TERRESTRE EL POY | Tel. 2335-9401 y 2244-5362 | Km. 96 Carretera Troncal del Norte, Municipio de Catalá, Departamento de Chalatenango |
| ADUANA TERRESTRE LA HACHADURA | Tel. 2420-3629, 2244-6442, Fax: 2420-3767 | Caserío Puente Arce, Cantón La Hachadura, Departamento de Ahuachapán |
| ADUANA TERRESTRE LAS CHINAMAS | Tel. 24013602, 2244-5331, Fax: 2401-3628 | Cantón Puente El Jobo, Municipio de Ahuachapán Km. 112, Departamento de Ahuachapán |
| ADUANA TERRESTRE SAN CRISTÓBAL | Tel. 2441-8202 2441-8108, 2244-6441 | Cantón Piedras Azules, Caserío San Cristóbal de la Frontera, Municipio de Candelaria de la Frontera |
| ADUANAS INTERNAS | | |
| ADUANA FARDOS POSTALES | Tel. 2534-9773, Fax: 2534-9774 | Edificio de Correo Nacional, Centro de Gobierno, San Salvador |
| ADUANA SAN SALVADOR (SAN BARTOLO) | Tel 2244-5246, Fax: 2244-5249 | Km. 11 ½, Carretera Panamericana, San Bartolo, Ilopango, Departamento de San Salvador |
| ADUANA SANTA ANA | Tel. 2489-6070, 2489-6071, Fax: 2489-6072 | Carretera a Metapán, Km. 67 contiguo a Penal de Apanteos, Departamento de Santa Ana |
| ADUANA CIEX EL SALVADOR | Tel. 2281-8505/2281-8506 | Banco Central de Reserva de El Salvador, Alameda Juan Pablo II entre 15 y 17 avenida norte, planta principal, San Salvador |
| DELEGACIONES DE ADUANAS DE ZONAS FRANCAS | | |
| ZONA FRANCA AMERICAN PARK | Tel. 2310-0200, 2319-0239, 2319-0203, Fax: 2319-0202 | Carretera a Santa Ana, Km. 28 ½, Departamento de La Libertad |
| ZONA FRANCA CALVO | Tel. 2678-4744 | Calle a Playita, Punta Gorda, Departamento de La Unión |
| ZONA FRANCA CONCORDIA | Tel. 2663-9864 | Carretera El Litoral Km. 105, Departamento de La Unión |
| ZONA FRANCA DIEZ | Tel. 2408-3988 y 2408-3267 | Km. 76 ½ Barrio Santa Cruz, Chalchuapa, Departamento de Santa Ana |
| ZONA FRANCA EL PEDREGAL | Tel. 2334-6027, Fax: 2334-6037 | Carretera a la Herradura, Km. 46 ½ El Pedregal, Departamento de la Paz |

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| ZONA FRANCA EXPORT SALVA | Tel. 2338-4545, 23385558, Fax: 2338-4552 | Carretera a Santa Ana, Km. 24, Departamento de La Libertad |
| ZONA FRANCA INTERNACIONAL | Tel. 2366-3360 Fax: 2366-3357 | Carretera a Comalapa Km. 28 ½, Municipio de Oloculita, Departamento de La Paz |
| ZONA FRANCA MIRAMAR | Tel. 2361-0000, Fax: 2389-8809 | Carretera a Comalapa Km. 30 ½, Municipio de Oloculita, Departamento de La Paz |
| ZONA FRANCA PIPIL | Tel. 2346-3033 | Cantón El Carmen, Hacienda Talcualhuya, San Juan Opico, Km. 65, Departamento de La Libertad |
| ZONA FRANCA SAN BARTOLO | Tel. 2534-9769 | Carretera Panamericana Km. 9 ½, San Bartolo, Ilopango, Departamento de San Salvador |
| ZONA FRANCA SAN MARCOS | Tel. 2208-8868 Ext. 24 | Carretera a Comalapa, Km. 4 ½ frente a la Terminal del Sur, Departamento de San Salvador |
| ZONA FRANCA SANTA ANA | Tel. 2447-0075 | Carretera a Metapán, Km. 69, Departamento de Santa Ana |
| ZONA FRANCA SANTA TECLA | Tel. 2288-5891 y 2229-7927 | Carretera al Puerto de La Libertad, Km. 12 ½ Nueva San Salvador, Departamento de La Libertad |
| ZONA FRANCA SANTO TOMÁS | Tel. 2201-1054 | Carretera a Comalapa, Km. 15 ½ Cantón El Ciprés, Dpto. de San Salvador |
| ADUANAS EN ALMACENES GENERALES DE DEPÓSITO | | |
| AGDOSA | Tel. 2278-1855 y 2244-1528, Fax: 2289-2197 | Calle L-1 #44-C, Blvd. Bayer, Ciudad Merliot, Departamento de la Libertad; APOPA Tel. 2530-2329, Apopa, SOYAPANGO Tel. 2277-9483, Soyapango, Departamento de San Salvador respectivamente |
| ALDESA | Tel. 2121-1925, Fax: 2121-1020 | Km. 7 ½ Blvd. del Ejército Nacional, Soyapango, Departamento de San Salvador |
| ALMACENADORA INTERNACIONAL | Tel. 2314-9526 y 2314-9599 Ext. 106 | Carretera a Comalapa Km. 28 ½, Municipio de Oloculita, Departamento de La Paz |
| BODESA | Tel. 2241-6528 y 2228-4488, Fax: 2229-7927 2228-3636 | Carretera al Puerto de La Libertad, Km. 12, Departamento de La Libertad |
| SERVILOGICA | Tel. 2277-0747 y 2535-8303/8304 | Calle Antigua al Matazano 75 m. del paso desnivel, Soyapango, Departamento de San Salvador |

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|--|---|--|
| ALMANCOSA | Tel. 2521-0757/0758/0759 | Boulevard del Ejército Nacional. Km. 5 ½ final calle Claper, Soyapango, Departamento de San Salvador |
| DELEGACIONES DE ADUANAS EN DEPÓSITOS TEMPORALES | | |
| DEPÓSITO TEMPORAL LA ROCA | Tel. 2452-6515 y 2452-3178 | Calle al Muelle, frente al Duke Energie, Departamento de Sonsonate |
| DHL | Tel. 2500-2662 2500-2661, Fax. 2261-2112 | Boulevard Santa Elena Sur y, Antiguo Cuscatlán, Departamento de La Libertad |
| TRANS AUTO | Tel. 2534-5750/5751/5752 | carretera a Comalapa; Departamento de San Salvador |
| ADUANAS AÉREAS | | |
| ADUANA AÉREA COMALAPA | Tel. 2314-9717, 2314-9718, 2314-9719 y 2314-9721, Fax: 2314-9717 | Aeropuerto Internacional de El Salvador, San Luís Talpa, Comalapa, Departamento de La Paz |
| ADUANA AÉREA ILOPANGO | Tel. 2295-0270 y 2295-949 | Aeropuerto de Ilopango, Departamento de San Salvador |
| ADUANAS MARÍTIMAS | | |
| ADUANA MARÍTIMA ACAJUTLA | Tel. 2414-1785, 2414-1786, 2414-1787, 2414-1788, 2414-1789, 2414-1790 y 2244-5363 | Puerto de Acajutla, Departamento de Sonsonate |
| ADUANA MARÍTIMA LA UNIÓN | Tel. 2604-4018, Fax: 2604-4106 | 3era. Calle Poniente, Sector La Esperanza, Colonia Belén #22, Departamento de La Unión |
| ADUANA PUERTO BARILLAS | Tel. 2632-1802, Fax: 2675-1134 | Carretera El Litoral Km. 109, Hacienda Las Carreras, Jiquilisco, Departamento de Usulután |

Annex II. Institutions that Issue Import and Export Permits

| Institutions that Issue Import and Export Permits | Products or merchandises that must request permits | Special requirements |
|---|--|--|
| Agriculture and Livestock Ministry • Vegetal and Animal Health | • Products of vegetal and animal origin. Basic grains. Wild flora and fauna. | • Must be registered and obtain a written authorization. |

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| <p>General Directorate.</p> <ul style="list-style-type: none"> • Registry and Taxation Direction. • Inspection of Products with Animal Origins. • Fishing Development Center. | <ul style="list-style-type: none"> • Agrochemical, biological, medicines and food for veterinary use. • Dairy, Meat Products. • Fishing Products. | <ul style="list-style-type: none"> • Must be registered and obtain a written authorization. • Must be registered and obtain a written authorization. • Must register and obtain an ID <ul style="list-style-type: none"> – Qualified Laboratories for conducting analysis – Veterinary Diagnostics Center and Quality Control of IA DGSVA (MAG). – Public Health and Social Assistance Integral Quality Ministry of FUSADES. |
| <p>Environmental and Natural Resources Ministry</p> <ul style="list-style-type: none"> • Environmental Management General Directorate. | <ul style="list-style-type: none"> • Regulated substances which for their import, they require an Environmental Permit. | |
| <p>Public Health and Social Assistance Ministry</p> <ul style="list-style-type: none"> • Hygiene's Control for Foods Department. | <ul style="list-style-type: none"> • Chemical substances such as: Chlorine Gas, Sulfur, Chloridric Acid, Nitric Acid, Hydrogen Peroxide, Sodium Nitrate, Barium Nitrate, Glycerin and Acetone. • Alcohols import. • Sanitary registration and/or re-validation of the foods and beverages imported. | |
| <p>National Defense Ministry</p> | <p>Fire arms, accessories for fire arms, gunpowder, explosions, cap guns and streaks.</p> | <ul style="list-style-type: none"> • Must register in the Defense Ministry. • Import permit from the Defense Ministry. • Must register in the Internal Taxes General |

| | | |
|---|--|--|
| | | Directorate. • Special permit for the functioning of security business. |
| Economy Ministry • Energy, Mines and Hydrocarbons Directorate. • Commercial Treaties Administration. | • Diesel, propane gas and butane. • Tax exemption of the Free Trade Treaties with Mexico, Dominican Republic, Chile and Panama. | Licenses for importing Tariff Contingencies. |
| Public Health Superior Council • Department of Environmental Sanitation. | Food products manufactured for the human consumption. | Must register and obtain written authorization. |
| Surveillance Council for the Chemical Pharmacy Profession. | Products of the Chemical Industry | |
| National Council for the Culture and Art CONCULTURA | Cultural Patrimony Goods | Written authorization needed. |
| Commission for the Distribution and Administration of Quantitative Restrictions for textile and of the Confections' Products (EXPORTEX) | Textiles and Garments Manufacturer for the U.S. (subject to a quota). | Written authorization needed. |
| Salvadorian Coffee Council | Coffee (toasted or grounded inclusive) | Must register and obtain written authorization. |
| Treasury Ministry | Machinery | Written authorization needed. |

Written authorization needed.

(2) Must register and obtain written authorization.

(3) Must register and obtain ID.

(4) Previous inspection of products.

(5) Laboratories:

Veterinary Diagnostics Center and Quality Control of IA DGSVA (MAG).

Public Health and Social Assistance Integral Quality Ministry of FUSADES.

The permits might be requested in the Imports Window, located on the "Boulevard de los Héroes, San Salvador".

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USAID, June 2008

Annex III. Used Vehicles' Import

60 DAYS PERMIT TOURIST

The user requesting Authorization for the Import Regime for Used Vehicles (ARIVU) for 60 days in the Custom, attaching in original and photocopy the following documents:

- Title of ownership.
- Bill of purchase.
- Transit Documents (bill of lading among others).
- Resident Card or respective passport if not Salvadorian.
- Transit declaration if applicable.

The foreign tourists have the right to the 60 days permit, Salvadorans living abroad and students abroad.

90 DAYS PERMIT FOR IMPORTED USED VEHICLES

The ARIVU for 90 days is granted only to importers of vehicles, who must attach to the request the following documents in original and photocopy:

- Title of ownership.
- Bill of purchase / sale of the vehicle sales deed of the purchase/sale if it was held in El Salvador.
- Bills of lading.
 - Bill of Lading
 - Receipt of cancellation of leave.
 - ■ Card importer of used vehicles properly authorized by the DGRA.

NOTE: For the users who do not comply with the requirements listed above they will be sent in transit to the respective Custom.

The Customs verifies the physical data of the vehicle against to the documents presented, if everything is correct emits the ARIVU or DMTI, which details the date of authorization and end date; as well as the destination Custom in the case of DMTI.

Previous to the expiration of the authorized deadlines, the vehicles must be subjected to customs control.

The vehicles with DMTI must be submitted to the destination Custom as indicated by the document.

In the case of ARIVU for 60 or 90 days may be subject to customs control at the following customs:

- San Bartolo Terrestrial Customs.

Temporary Storage La Roca (Acajutla), Temporary Storage NAVARRA (CARRETERA A COMALAPA) DEPOSITO TEMPORAL NEJAPA, DEPOSITO TEMPORAL AGDOSIA: APOPA, (SAN SALVADOR).

- At these customs the ARIVU must be submitted, in order to finalize their period.

The ARIVUS for 90 days, in addition of being subjected under customs control, they must pay the taxes in that period, in the banks of the financial system or authorized collection offices of the Treasury Ministry.

DEFINITIVE IMPORT

PERSONAL PROCEDURE (WITHOUT A CUSTOMS AGENT)

If he/she is not a usual importer of vehicles, he/she has the right to personally conduct the processing of two automotive within one year period.

PROCEDURE WITH CUSTOMS AGENT

To perform the importation of used vehicles, he/she must request the services of a Customs Agent or Custom Brokers, duly authorized by the General Customs Directorate, through ID card; reason why we suggest checking their identification.

Also, you may consult the list of Customs Agents and Customs Brokers authorized in our website: www.mh.gob.sv, assistants' directory link.

FINES FOR NON-COMPLIANCE WITH THE DEADLINES AND ROUTES

- 1) As of November 15, 2007, fines for customs violations in the case of diversion routes unjustified and missed deadlines to the respective customs administrations is six minimum wages which should be considered the minimum monthly wage for trade and service in town, established by Executive Decree No. 56, dated May 6, 2011.
- 2) If in the course of transit is an accident, mechanical breakdown or other problems that force him to delay his trip to deviate from the approved fiscal path, you

must notify this situation immediately to the position of the PNC nearest you prepare a report highlighting the fact, to be forwarded to the respective Customs and assessing the need to waive the fine specified in the preceding paragraph.

3) If the vehicles covered a 60-day permit are not subject to Customs control prior to the expiration of this period will incur a fine equivalent to three minimum wages which should be considered the minimum monthly wage for the trade and services town, established by Executive Decree No. 56, dated May 6, 2011. The fine is set each month or part month that the vehicle has remained in the country, starting from the day after the expiration of 60 days

AGE OF THE USED VEHICLES TO IMPORT

The import of motor vehicles because of their age, of: ■ ■ Light Vehicles passenger and cargo (cars, pickups and motorcycles) with eight years old.

■ ■ heavy passenger vehicles (buses 10 years old).

■ ■ Heavy load (trucks, etc heads.) 15 years old.

In calculating years of service must begin with model year vehicles. D. L. 288 del 13 April 2007. Exempted from this provision as follows:

Harrows and trailers, vehicle collection, purchased or donated to state institutions and public service or charity, and faith-based duly authenticated, the exclusive use of handicapped or disabled, as well as vehicles that pose a duly verified specific service, such as agricultural, industrial, industrial and vehicle dirt attached to power plants, drilling a well and water purification.

But these vehicles are subject to technical review by the Vice mechanical transport ministry, but the pass will be unfit for circulation in the country. According to Article 34 reforms of the Law of Land Transport, Traffic and Road Safety; Legislative Decree No. 410 dated October 2, 2007.

WANT TO KNOW THE APPROXIMATE VALUE OF TAXES FOR IMPORTATING USED VEHICLES

All available information on the importing of vehicles can be obtained in our email address: usuario.dga@mh.gob.sv the following vehicle data: model year mark, VIN number.

ANY CONSULT, COMPLAINT OR PROTESTS:

(Customer Care Unit Monitoring and Complaints to mobile:
(503) 2244-5182, y al telefax 2244-5183
E-mail: usuario.dga@mh.gob.sv
Users Attention: Tel. (503) 2244-5182
usuario.dga@mh.gob.sv

El Salvador Customs General Directorate

Km. 11 1/2, Carretera Panamericana, San Bartolo, Ilopango, Departamento de San Salvador
Users Attention: Ph. (503) 2244-5182
usuario.dga@mh.gob.sv
www.mh.gob.sv

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