

**PROTOCOL IMPLEMENTING THE AGREEMENT ESTABLISHING THE
FREE TRADE AREA BETWEEN THE CARIBBEAN COMMUNITY AND THE
DOMINICAN REPUBLIC**

**THE CARIBBEAN COMMUNITY (CARICOM) AND THE DOMINICAN
REPUBLIC** (hereinafter referred to as "the Parties");

RECALLING the Agreement establishing the Free Trade Area between the Caribbean Community and the Dominican Republic signed on 22 August 1998 ("the Agreement").

RECALLING further the Plan of Action annexed to the Agreement to promote its implementation;

NOTING that Annex I to the Agreement commits the Parties to a programme of trade liberalisation for goods, which takes into account the particular differences in the levels of development between the Dominican Republic and the Less Developed Countries of CARICOM (LDCs);

DESIROUS of providing special arrangements for trade in selected agricultural products;

REITERATING their commitment to the liberalisation of Trade in Services as provided for in the Agreement on Trade in Services which is at Annex II to the Agreement;

REAFFIRMING their mutual resolve to implement in the shortest possible time, a services regime as part of the Free Trade Area, bearing in mind that the Caribbean Community is currently working towards the implementation of a regime for Trade in Services within the Community;

REAFFIRMING also their commitment to develop other areas of cooperation including Reciprocal Promotion and Protection of Investment and Government Procurement;

HAVE AGREED AS FOLLOWS:

**ARTICLE I
MARKET ACCESS WITH RESPECT TO TRADE IN GOODS**

The goods referred to in Article III:2(i)(b) and (ii)(b) of Annex I to the Agreement and set down in **Attachment I** to this Protocol shall be eligible, commencing with the entry into force of this Agreement, for Phased Reduction of the Most Favoured Nation (MFN) rate of duty to zero (0) percent by 1 January 2004 in the Dominican Republic and in the More Developed Countries (MDCs) of CARICOM, unless otherwise provided in the Notes to the Phased Reduction of the MFN Rate of Duty List (Attachment I to this Protocol). The Joint Council shall establish the Phased Duty Reduction Schedule in equal stages, within the first sixty (60) after the entry into force of the Agreement.

2. The goods referred to in Article III:2(i)(c) and (ii)(c) of Annex I to the Agreement and set down in **Attachment II** to this Protocol shall, on entry into force of the Agreement, be subject to the application of the MFN rate of duty in both Parties.
3. The criteria referred to in Article III of Appendix I to Annex I to the Agreement (the Rules of Origin) are set out in **Attachment III** to this Protocol.
4. The Joint Council shall, with respect to the goods set down in Chapters 84 to 94 of the Harmonised Commodity Description and Coding System (generally referred to as the Assembly Sector), within twelve (12) months of the entry into force of the Agreement, develop criteria which would be applicable to these goods under the Rules of Origin consistent with the provisions of Article XII of Appendix I to Annex I to the Agreement. Until there is a determination by the Joint Council in this regard, the goods of Chapters 84 to 94 of the Harmonised Commodity Description and Coding System shall be subject to the application of the most favoured nation rate of duty in Both Parties.
5. The Joint Council shall with respect to the goods of Chapter 62 and Sub-Headings 1806.31 and 1806.32 of the Harmonised Commodity Description and Coding System, develop criteria which would be applicable to these goods under the Rules of Origin within twelve (12) months of the entry into force of the Agreement. Until a determination of the criteria by the Joint Council, the goods of Chapter 62 and Sub-Headings 1806.31 and 1806.32 shall be subject to the application of the most favoured nation rate of duty in both Parties.
6. The Joint Council shall, pursuant to Article III:5 of Annex I to the Agreement, develop arrangements for trade in and the criteria which will apply under the Rules of Origin with respect to items referred to in Schedule IX to the Annex to the Treaty establishing the Caribbean Community and in particular the following goods:
 - Coconuts (of heading 08.01)
 - Animal or Vegetable Fats and Oils and their Cleavage Products; Prepared Edible Fats: Animal or Vegetable Waxes (of Chapter 15)
 - Soap (of heading 34.01)
7. The Certificate of Origin provided for in Appendix I to Annex I to the Agreement shall be in the format set out in **Attachment IV** to this Protocol. The Committee on Rules of Origin and Customs Cooperation provided for in Article XVI paragraph (iv) of the Agreement may from time to time make such modifications to the Certificate of Origin as it considers appropriate.
8. The Less Developed Member States (LDCs) of CARICOM shall not be required to extend to any imports from the Dominican Republic entering into their territory treatment other than the MFN rate of duty up to the year 2005. In accordance with the provisions of paragraph 4 of Article III of the Agreement, this provision will be reviewed by the Parties in the year 2004.

ARTICLE II
TREATMENT OF GOODS AND SERVICES PRODUCED IN FREE TRADE ZONES/EXPORT PROCESSING ZONES

Goods produced in or shipped from Free Trade Zones/Export Processing Zones in the territory of a Party shall, when imported into the territory of the other Party, be subject to the most favoured nation (MFN) rate of duty.

2. Where either CARICOM or the Dominican Republic decides to alter the treatment accorded to goods produced in or shipped from Free Trade Zones/Export Processing Zones, the Joint Council will be advised of the action at the earliest opportunity and will consider the measures necessary to maintain the parity provided for in paragraph 1 of this Article.
3. The Parties will examine the conditions under which services produced in their respective Free Trade Zones/Export Processing Zones may be traded in the Free Trade Area, preferably within the framework of the negotiations on Market Access with respect to Trade in Services mandated in Article V of this Protocol.
4. The Parties will collaborate with a view to developing common positions for the negotiation of treatment of goods produced in or shipped from Free Trade Zones/Export Processing Zones under the arrangements providing for the Free Trade Area of the Americas and other multilateral trade negotiations such as in the World Trade Organisation (WTO).

ARTICLE III
SPECIAL ARRANGEMENTS FOR TRADE IN SELECTED AGRICULTURAL PRODUCTS

In order to avoid adverse impact on the demand for local production resulting in serious losses for producers/farmers, and having regard to the seasonal and perishable nature of agricultural products, the Parties agree that with respect to the agricultural products listed in Attachment V to this Protocol, which are eligible for duty free treatment, they may apply the most favoured nation (MFN) rate of duty during the periods identified in the schedule specified in the Attachment.

2. The Party taking action pursuant to paragraph 1 of this Article shall promptly notify the other Party.
3. The Joint Council shall at its first meeting direct that the Committee on Trade in Goods establish an Agricultural Experts Group which will meet periodically to review the schedule referred to in paragraph 1, in light of actual experience.

ARTICLE IV
APPLICATION OF DOMINICAN REPUBLIC LAW 173 TO CARICOM ENTREPRENEURS

For the purposes of Article III, paragraph 7 of Annex 1, to the Agreement, whenever a CARICOM entrepreneur engages in any of the activities provided for in that paragraph,

whether directly or through a Dominican Republic national acting as representative or agent, Law 173 will not apply when the parties expressly agree that it will not.

ARTICLE V MARKET ACCESS WITH RESPECT TO TRADE IN SERVICES

Regarding the terms under which each Party will grant market access to the service providers of the other Party referred to in Annex II to the Agreement (the Agreement on Trade in Services) specifically, Article XII on Market Access, the Parties recognising the growing importance of services to their economies agree:

(i) To commence without delay, the exchange of information on their services sector, exchanges of views on possible elements for a service regime, and after July 2000 but before 1 January 2001, the drafting of the relevant documents such as the list of sectors to be liberalised and other annexes and/or appendices including that relating to professional services to serve as a basis for negotiations.

(ii) To an indicative date of 1 January 2001 for the commencement of negotiations for the establishment of the services regime in the Free Trade Area (FTA), and an indicative date of 30 June 2001 for its conclusion. In the establishment of the services regime the Parties shall take into consideration their respective commitments in the General Agreement on Trade in Services (GATS) and the ongoing negotiations for services in the GATS.

(iii) To pay particular attention to, but are not limited to the following sectors:

- (a) Tourism and Entertainment;
- (b) Free Trade Zones/Export Processing Zones Services;
- (c) Financial Services;
- (d) Professional Services (e.g. medical, legal, accounting and engineering);
- (e) Design;
- (f) Construction (skilled workers);
- (g) Informatics;
- (h) Telecommunications;
- (i) Transportation (without prejudice to Article III of Annex II of the Agreement).

2. This list of sectors may be amended.

3. The Parties agree that in view of the critical role which Telecommunications play in the development of their economies and societies, to undertake as a matter of priority, the exchange of information on developments in this Sector.

4. The Parties also agree to identify any elements critical to the development of trade in Services which may be implemented prior to the conclusion of negotiations on the Services regime.

5. Pending conclusion of the negotiations referred to in paragraph 1(ii) of this Article, each Party agrees to provide to services and service providers of the other Party, the most favourable treatment it accords to like services and service providers of any third country, without prejudice to existing obligations deriving from International Agreements with third countries.

ARTICLE VI RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENT

The Parties agree to establish and maintain an investment-friendly environment including facilitative administrative procedures.

2. The Parties will exchange information on the exceptions to national and MFN treatment as well as their laws and regulations relevant to foreign investment.

ARTICLE VII GOVERNMENT PROCUREMENT

The Parties, consistent with the provisions of Article XI of the Agreement and the Plan of Action and recognising the mutual benefit which can result from greater participation by their economic entities in business opportunities arising from Government Procurement activities agree that:

(i) Immediately after the Caribbean Community adopts a regional regime to regulate Government procurement among its Member States, the Parties will initiate negotiations for an agreement to facilitate participation by their economic entities in the procurement activities undertaken by the governments of the Dominican Republic and the Member States of CARICOM.

(ii) The Joint Council will supervise, as a matter of urgency, the exchange of information on the laws, rules, administrative arrangements and statistical data in the Parties relevant to Government procurement.

ARTICLE VIII TEMPORARY ENTRY OF BUSINESS PERSONS

The Parties agree that on entry into force of the Agreement they will apply the provisions of the Annex on Temporary Entry of Business Persons attached to this Protocol as **Attachment VI**, and which shall be Annex IV to the Agreement.

ARTICLE IX STATUS OF THE ATTACHMENTS

The Attachments to this Protocol shall form an integral part thereof.

**ARTICLE X
STATUS OF THE PROTOCOL**

This Protocol, and its Attachments shall form an integral part of the Agreement.

**ARTICLE XI
ENTRY INTO FORCE**

This Protocol and its Attachments shall enter into force on the date that the Parties have notified each other through diplomatic channels that all internal legal procedures have been completed.

**ARTICLE XII
PROVISIONAL APPLICATION**

Pending the entry into force of the Agreement, the Parties may apply Articles V and VI provisionally.

IN WITNESS THEREOF the Undersigned Plenipotentiaries being duly authorised, have affixed their Signatures to this Protocol.

Done at _____ in English and Spanish languages, both being equally authentic, this _____ day of _____ 2000.

For the Caribbean Community

For the Dominican Republic