



Doing Business In JAMAICA: A Country Commercial Guide for U.S. Companies

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Import Tariffs

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Jamaica is a part of CARICOM and a Common External Tariff (CET) is applied to goods entering CARICOM member-countries. As part of the continuing process to reform the trade regime, the government embarked on a tariff reform program to gradually reduce duty from as high as 200 percent. Duty rates (CET) are now typically in the range of 15 to 20% but there are still some exceptions.

Trade Barriers

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In order to protect local producers, import duties on certain agricultural products (such as chicken and milk) and certain consumer goods carry higher duty rates. In addition to import duties, certain items such as beverages and tobacco, motor vehicles, and some agricultural products carry an additional stamp duty and special consumption tax. A Customs User Fee of 2% applies to all imports. Most imported items are subject to 16.5 percent general consumption tax (GCT).

There is also now a Standards Compliance Fee (SCF) of 0.3%. The SCF is collected by Jamaica Customs on behalf of the Jamaica Bureau of Standards. The Bureau checks for a number of standards. An important area is labeling standards.

Special requirements apply to certain specific products. For example, fairly strict regulations govern the importation of drugs and pharmaceuticals. Safety, efficacy and quality are the primary indicators for approving a drug for use. The Food and Drug Act requires that all drugs distributed or sold in Jamaica are assessed and registered. In addition to reviewing the scientific data supplied on the uses and side effects of the drug, special attention is paid to the information on its stability under conditions of high temperature and humidity typical of the tropics; results of the analysis of a recently produced batch; approval status in the country of manufacture or export; and clinical summaries of tests done on humans where the drug is a new chemical entity. Typically, a drug will not be admitted for use in Jamaica until it has been safely used in the country of origin for a period of more than one year.

Import Requirements and Documentation

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The following items still require an import license: milk powder, refined sugar, plants and parts of plants for perfume or pharmaceutical purposes, gum-resins, vegetable saps and extracts, certain chemicals, motor vehicles and parts, arms and ammunition, and certain toys, such as water pistols and gaming machines. The Trade Board, under the Ministry of Industry, Commerce & Technology, is responsible for granting licenses.

If an item requires a license, one must be obtained from the Trade Board before the sale. The documents required for the importation of goods are:

- a supplier invoice
- certificate of origin
- bill of lading
- airway bill and
- other shipping documents, a declaration of value and an import license, if necessary. (Certain products may also require phytosanitary certification.)

Upon arrival of the goods in Jamaica, the documents are submitted to the Customs authorities. Relevant duties must be paid before the goods may be cleared into the country. The importer may also be required to present a tax compliance certificate for the importer, a Business Enterprise Number (BENO) and a Taxpayer Registration Number (TRN).

U.S. Export Controls

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Temporary Entry

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Importers may obtain authorization for temporary admission for a period of three or four months. To claim temporary admission of merchandise, regular import documentation and the C25 Form, with customs authorization, must be presented by the importer upon the arrival of the merchandise. In addition, the importer is required to deposit or place in bond either full or one and a half times the applicable duty, which is refunded on exit of the merchandise.

Labeling and Marking Requirements

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The Jamaican Bureau of Standards administers the Standards Act, Processed Food Act and Weights and Measures Act. Products imported into Jamaica must meet the requirements of these Acts, and it is the responsibility of the importer and distributor to ensure that goods sold in Jamaica are properly labeled as required by the labeling standards. The smallest individual unit of a pre-packaged good should be labeled in English and should include the proper name of the product, an accurate declaration of the contents, an accurate description of the ingredients, a date mark or date of minimum durability as well as the name and traceable business address of the processor, manufacturer, packer, importer or distributor and the country of origin. Manufactured,

expiration and other date marks must conform to the traditional European "dd/mm/yy" or ISO's "yy/mm/dd" date formats. The United States' conventional "mm/dd/yy" or the five-digit Julian "day-of-year year", "year day-of-year", or other such modifications of the Julian system, are not accepted for the purpose of trade and commerce in Jamaica. Jamaica has not yet developed any definitive standard for the labeling of Genetically Modified Organisms and Living Modified Organisms, but present directions are skewed towards adopting language developed by the Codex Alimentarius Commission.

The Jamaica Bureau of Standards is very stringent in exercising its judicial authority to block the entry and sale of goods that are improperly labeled. Improper labeling may occur in several ways such as incorrect date format, non-English language and so on. A full description of labeling requirements is to be found in Labeling Standards JS1 Parts 1 to 29.

Prohibited and Restricted Imports

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Jamaica prohibits the import of the following items:

- dogs for racing;
- dog racing equipment;
- tablets containing a combination of methaqualone and diphenhydramine hydrochloride;
- certain brands of crayons from China and Thailand;
- all items banned under the Customs Act and the Plants Protection from Disease Act;
- all goods prohibited entry into the United Kingdom under the Anthrax Prevention Act 1919;
- animals and carcasses of animals prohibited under the Animals Diseases and Importation Act;
- arms and ammunition, except with the permission of the Commissioner of Police;
- brandy of a lower strength than 30 degrees per centum under proof, unless it is proved that it has been matured for a period not less than ten years;
- base or counterfeit imitation coin of any country;
- coin, silver, or any money not of the established standard in weight and fineness;
- opium and dangerous drugs;
- essence of brandy or whisky or flavoring essences except as approved by the Minister;
- indecent or obscene prints, paintings, photographs, books, films, etc.;
- oil of gin or cognac, except as approved by the Minister;
- rum coloring solutions;
- spirits and wine, unless specifically imported with casks or other vessels of at least nine gallons content or in glass or stone bottles with each case containing not less than one gallon;
- fictitious stamps and instruments; and
- sugar, except under license.

Customs Contact Information

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Standards

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Overview

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The Jamaica Bureau of Standards (“The Bureau”) is a statutory body established by the Standards Act of 1968. The Standards Act, as well as the Processed Foods Act (1959) and the Weights and Measures Act (1976) control the actions of the Bureau. The Bureau’s main functions are formulating, promoting and implementing standards for goods, services and processes. It develops and enforces technical regulations for those commodities and practices, which affect health and safety.

Following the reorganization of the Bureau in 2001, the development of standards became industry owned with the Bureau playing the role of facilitator. Standards are written by technical committees. There are several technical committees established and facilitated by the Standardization Division of the Bureau. Membership in the committees should reflect a balanced representation of all parties interested or involved in the committee’s scope of operations, namely: producers, manufacturers, importers/distributors, consumers, research organizations, educational institutions, government organizations and individual experts.

The Bureau facilitates trade and protects Jamaican consumers with the timely development and promulgation of national standards. The Standards and Certification department seeks industry participation in allowing the development of new standards and new markets both locally and regionally. The Bureau’s mandate includes (i) preparing standards for particular products, practices and processes and (ii) checking products against claims of conformity to published standards.

The Bureau of Standards is controlled by a Standards Council, which is responsible for policymaking and general administration. Standards are developed by standing committees representing varied interests, such as consumer groups, the manufacturing sector and the public in general.

Standards Organizations

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The Jamaica Bureau of Standards is the premier standards development organization in Jamaica. At the Bureau, the preparation of standards documents is undertaken upon the authorization of the Standards Council. This authorization could come from representations from national organizations, Bureau of Standards committees or the staff of the Bureau. When the final draft of the standard is ready, the Council authorizes an approach to the Minister for approval. The draft document is then made available to the general public for comment. After consideration of the comments, a final document is prepared and the Standards Council recommends the document to the Minister for

approval. The declaration of the standard is published and copies are made available for sale. Standards are revised every five years. The Catalogue of Jamaican Standards is updated every 6 months. It includes a listing of all standards published to date as well as those approved by the Minister awaiting publication.

Apart from the Bureau of Standards, other agencies do have a limited role in standards development. These include the National Environment and Planning Agency (NEPA), the National Council on Technical and Vocational Education and Training (NCTVET), Private companies for their own use as well as a handful of government agencies and Ministries.

Conformity Assessment

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The Jamaica Bureau of Standards is responsible for issuing licenses to use the Bureau's Certification Mark (Mark of Conformity). A number of well-equipped laboratories carry out tests in such areas as food analysis, chemistry, metallurgy, microbiology, building materials, furniture, packaging, electrical engineering, mechanical engineering, weights and measures. Private companies involved in conformity assessment are Technological Solutions Limited and SGS Limited.

Product Certification

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The National Certification Mark issued by the Bureau is a mark of quality awarded to products, processes and practices, which conform to relevant standards. Products, which are proven to be of consistent and reliable quality, are granted the National Certification Mark. The Bureau encourages consumers to purchase products, which bear this mark as it guarantees consistent product quality. All manufacturers have the right to apply for the mark. The Bureau's team of analysts and specialist examines the manufacturers' processes, equipment, records, raw material, quality control systems and the finished product to ensure good quality.

The Product Certification offered by the Bureau is voluntary (and at a cost to the applicant). Plans are being developed for the establishment of a National Certification body. Also being planned is a Compliance Sticker Program, which will allow local products of a suitable standard to bear a Compliance Sticker. The program will also extend to compliant imported products.

There is a mutual recognition agreement between the Bureau and the American Society for Testing and Materials (ASTM).

Accreditation

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The Bureau offers laboratory accreditation recognition to Chemical and Microbiological Laboratories, which apply for this recognition. This is voluntary (and at a cost to the applicant). Accreditation services may also be obtained from International agencies. Plans are in place for the development of a National Accreditation Body (separate from the Bureau of Standards), which will take over this function.

The Bureau's Technical Information Center is the only national standards library in Jamaica. It is the center of the international standards information network and serves as:

- The National Enquiry Point under the WTO Agreement on Technical Barriers to Trade (TBT)
- Contact Point for Codex Alimentarius Commission in Jamaica
- Local Agent for International Organization for Standardization (ISO), British Standards Institution (BSI), and American National Standards Institution (ANSI).

The Bureau has membership in the following regional and international organizations:

- International Electro-Technical Commission (IEC)
- Caribbean Regional Organization for Standards and Quality (CROSQ)
- Inter-American Metrology System (SIM)
- Pan-American Standards Commission (COPANT) (an ISO Commission)
- Caribbean Metrology Sub-Region (CARIMET)

Additionally, the Bureau cooperates with several other regional and international standards and metrology institutions such as the National Institute of Standards and Technology (NIST), American Society for Testing and Materials (ASTM), National Center for Metrology-Mexico (CENAM), Physikalisch Technische Bundesanstalt (PTB), American Society for Mechanical Engineers (ASME), National Office of Standards-Cuba (NC), Columbian Institute of Certification and Technical Standards (ICONTEC), Barbados national Standards Institute (BNSI), Trinidad and Tobago Bureau of Standards (TTBS) and the Guyana National Bureau of Standards (GNBS).

Publication of Technical Regulations

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Proposed Technical Regulations are made available to the general public for comment. A 30-day period is allowed before publication. Any entity, including U.S. companies, may comment on the proposals before they are published. The Bureau has a Technical Information Center, which has information on standards being developed. Final Technical Regulations are published in the Jamaica Gazette Supplement - Proclamations, Rules and Regulations.

Labeling and Marking

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Product labeling is one of the more important and topical matters handled by the Jamaica Bureau of Standards. The Catalogue of Jamaican Standards lists requirements for over 30 different commodities. The list is wide and varied and includes items such as footwear, precious metals, household appliances, panty hose, thread, animal feeds, toys, furniture and various packaged goods.

Labeling requirements are contained in a series of mandatory standards for the Labeling of Commodities (JS 1: Part 1 through to JS 1: Part 30). Adherence to these requirements is closely monitored by the Bureau. Monitoring entails verification of labels against the specifications outlined in the particular labeling standard.

It is critical for the Bureau to develop a system that will allow the organization to exercise its duty with increased efficiency and effectiveness with respect to compliance to compulsory standards (technical regulations). The Label Registration Program was therefore proposed. This program aims to prevent labeling violations both at the Ports of Entry and in the Domestic Marketplace. Labels of each product can therefore be registered with the Bureau under this program. This registration program is voluntary

and will assist the speedy processing of goods through Customs (using a database) for importers who have their labels registered with the Bureau.

The steps required for this process are:

1. The completion of the Label Registration Form
2. Submitting the form along with the labels of the products to be registered (preferably on line) to the Bureau of Standards
3. Make payment using either the e-commerce facility or the other means available and showing proof of payment
4. The label is assessed and a report done
5. If the label is in conformance with the standards the registration will be approved and a registration number assigned and add to list of compliant labels
6. Where a labeling non-conformance is identified, the report shall indicate the areas of non-conformance, and make recommendation to effect corrections
7. The applicant will be required to implement the recommendations and re-submit the corrected label and proceed again
8. Label registration number now used by Customs to process imports
9. Routine periodic verification conducted by Bureau Inspectors/Officers to identify continued compliance
10. If non-compliance is identified registration is withdrawn and distributor advised to re-register the label(s).

Trade Agreements

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Preferential Tariff Arrangements: Jamaica has enjoyed preferential tariff arrangements with the United States under the Caribbean Basin Initiative (CBI) and the Caribbean Basin Economic Recovery Act, with the countries of the European Union under the Lome Convention (succeeded by the Cotonou Agreement and soon to be the Economic Partnership Agreement (EPA)), with Canada under CARIBCAN, and with other English-speaking Caribbean states under CARICOM. CARICOM of which JAMAICA is a leading member, also has bilateral trade agreements with Costa Rica, Cuba, Dominican Republic, Colombia and Venezuela.

The CBI provides duty-free entry to the United States to qualifying products of Jamaican origin (except textiles, footwear, handbags, luggage, work gloves, leather apparel, tuna fish, petroleum and petroleum products, and watches and watch parts from countries that do not enjoy Most Favored Nation status). An amendment was made to CBI provisions in 1990 (CBI II) allowing additional duty reduction on certain leather-related products, including handbags, luggage, flat goods, work gloves, and wearing apparel. To meet CBI eligibility standards, products must contain at least 35 percent value added in Jamaica, of which U.S. materials must comprise 15 percent of the value of the finished product. Articles assembled in Jamaica from 100 percent U.S. components are also given duty-free treatment (with certain exceptions, including textiles/apparel for which the U.S. duty is levied only on the value-added in Jamaica).

In May 2000, the U.S. Senate passed the Caribbean Basin Trade Partnership Act (CBTPA). The aim of this Act is an expansion of the benefits provided under the CBI to Caribbean firms that export to the United States. In effect, it will restore the margin of

preferences CBI countries enjoyed prior to the implementation of the North American Free Trade Agreement (NAFTA) as well as improve the range of economic opportunities available to the countries. The Jamaican garment industry has not expanded under CBTPA as predicted due to: (1) the removal of preferential access to key markets following the removal of the quota system; (2) competition from low cost producers; (3) a large untrained labor force; (4) small factories that inhibit the achievement of economies of scale; (5) dependence on a few markets and on imported inputs; and, high overhead costs. In fact, the garment industry has all but disappeared, with only one firm employing about 50 workers remaining in the free zone. Jamaica has also signed a Tax Information Exchange Agreement (TIEA) with the United States allowing U.S. taxpayers to deduct legitimate business expenses incurred in attending business meetings and conventions in Jamaica.

Jamaica exports certain items duty-free to Canada under CARIBCAN. Eligible items must meet a national-origin standard of 60 percent of the factory price originating in Jamaica, Commonwealth Caribbean countries, or Canada. Textiles, garments, lubricating oils, clothing, footwear, luggage, handbags, and leather garments are excluded from CARIBCAN. Processed and fresh vegetables comprise most of the trade under CARIBCAN. Alumina, representing approximately 80 percent of all exports to Canada, was already admitted duty-free prior to the establishment of CARIBCAN.

Jamaican exports traditionally benefited from preferential treatment under the Lome Agreement. The system was not a simple one, as there were special arrangements for certain agricultural products, and the required value-added component varied depending on the type of product. The Cotonou Agreement, signed in 2000, replaced four Lome Accords and introduced a comprehensive framework for African Caribbean and Pacific (ACP) -EU relations focusing on economic development, the reduction and eventual eradication of poverty, and the smooth and gradual integration of ACP states into the global economy. In this regard the Cotonou Agreement allows the ACP and the EU to engage in WTO compliant (CARIFORUM Economic Partnership Agreement (EPA) Negotiations, 2000). The Economic Partnership Agreement or EPA, a trade partnership required by the Cotonou Agreement to replace the trade component of Lomé IV, was signed in January 2008. The EPA is expected to help ACP countries, including CARIFORUM, reduce poverty and achieve economic growth through sustainable trade with Europe.

Jamaica has been a leading member of the Caribbean Community and Common Market (CARICOM) since 1973 when four countries signed the Treaty of Chaguaramas. Over the years membership has grown to 15. There are also five (5) associate members and The Bahamas is a member of the community, but not the common market. In 1989 a decision was taken to further deepen the integration process by establishing the CARICOM Single Market and Economy (CSME). This was expected to pave the way for the creation of a single economic space, where people, goods, services and capital could move freely. To effect the CSME, a Revised Treaty of Chaguaramas was signed in 2002. In January 2006, CARICOM Heads of Government met in Jamaica to sign the single market aspect of the CSME, although at the time only six member countries, including Jamaica had completed the process to bring the CSM into being. Six other countries have subsequently joined the CSM. The economic integration aspect of the CSME is expected to commence in 2008.

<http://www.caricom.org>
<http://www.crnw.org/acp.htm>

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Jamaica Bureau of Standards www.jbs.org.jm

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