Voluntary Report – Voluntary - Public Distribution

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Report Name: Rules of Origin Requirements to Receive United States-Panama Trade Promotion Agreement Customs Benefits

Country: Panama

Post: Panama City


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Report Highlights:

U.S. and Panamanian importers and exporters should know that rules of origin requirements for food and agricultural products are enforced by Panama’s customs authorities. Those seeking to take advantage of the tariff benefits stemming from the U.S. – Panama Trade Promotion Agreement (TPA) should ensure their products comply with these requirements to avoid fines and back duty assessments.
Post takes this opportunity to remind U.S. and Panamanian importers and exporters that rules of origin requirements for food and agricultural products are enforced by Panama’s customs authorities. Rules of origin that were negotiated and agreed to by both parties to the agreement can vary by commodity and are often rather complex. In some cases, regardless of where the raw material was grown or produced, a food or beverage product that was processed in the U.S. (or Panama) will qualify for the TPA tariff benefits when imported into Panama (or the United States). In other cases, it will not. Negotiated rules of origin determine whether benefits apply. Referencing the text of the TPA and its rules of origin annex is the best way to determine the applicability of tariffs. This process involves knowing a product’s HS code and then consulting the annexes found here: US-Panama TPA Rules of Origin Chapter, and Annex 4.1 – Specific Rules of Origin.

Those seeking to take advantage of the tariff benefits stemming from the U.S. – Panama Trade Promotion Agreement (TPA) should ensure their products comply with these requirements to avoid fines and back duty assessments imposed by Panama’s customs authority.

Historically, post has seen increased rules of origin scrutiny on the following products: roasted coffee; rough rice; milled rice; corn; fluid milk; yogurt; butter; ice cream; Non-Fat dry milk; whole milk powder; cheddar cheese; curd and mozzarella cheese; chicken; shell eggs; beef; pork; pig fat; certain processed pork products; fresh or chilled potatoes; fresh or chilled onions; dried kidney beans; refined corn oil; and processed tomatoes.

Attachments:

No Attachments.