

where such authorization is needed to obtain letters of credit, exemption from import duties, and, if necessary, financing.

The import of a number of steel products is controlled by the Corporation Venezolana de Guayana (CVG) and Siderurgica del Orinoco (SIDOR).

Official exchange houses and commercial banks are the only sources of foreign currency for the public since the ban on private foreign exchange operations. Exchange houses deal only in bank notes, coins and traveller's cheques.

Duties and Taxes

All duties are now levied on an ad valorem basis, and specific duties are now eliminated.

Mixed products or compound goods are classified according to the essential or main component, or according to the component carrying the highest duty. Books, bound magazines and periodicals, and similar items may be imported duty-free. Automotive parts and certain types of tires not manufactured locally, as well as imports of sports goods by duly registered sports organizations are given exonerations upon application. Warranty replacement parts are subject to duty even if the exporter does not charge for them.

The establishment of a new tariff structure was announced in March 1989, resulting in an average tariff rate of approximately 40 per cent in 1989; 30 per cent in 1990; and 20 per cent in 1991. However, the maximum rate for 1989 was 80 per cent c.i.f., decreasing to the 40 to 50 per cent range in 1991. In addition, tariff exonerations will be eliminated within one year. The Venezuelan government has indicated its intention to adopt the Harmonized Commodity Description and Coding System (HS) for classifying imported goods for customs purposes by March 1990. This is the same system on which the Canadian customs tariff is based.

Information regarding Venezuelan duties applicable to specific products may be obtained from the External Affairs and International Trade Canada, South America Trade Development Division, 125 Sussex Drive, Ottawa, Ontario K1A 0G2. Inquiries should include a complete product description, including Customs Co-operation Council Nomenclature (CCCN) or HS, if known.

Ad Valorem Duties. Duties are ad valorem based on the c.i.f. value. The "normal price" is used to determine the cost of the goods. This "normal price" is the amount charged to buyers who are independent of the seller under conditions of free competition. Entities with special arrangements,