

## Peru's Bogor Goals Progress Report (as at 13 August 2012)\*

### Highlights of Achievements and Areas for Improvement

- Current average tariff at HS 10-digit level is equal to 3.2 percent.
- No quantitative import restrictions/prohibitions are applied. Same occurs for import licensing and export subsidies.
- Some restrictions to the importation of certain used goods are in place.
- Additional flexibility introduced in mobile telephone services by allowing number portability and eliminating long distance calls.
- Certain limitations on foreign investments in broadcasting, air and water transport and ownership of real estate and some resources within fifty kilometers of Peru's international borders are applied.
- Active participation in international standardization entities.
- Peru is actively implementing initiatives to improve customs procedures and facilitate trade.
- Efforts to implement regulatory reforms to improve business environment and encourage private investment growth.

### Summary of Updates

#### Tariffs

The Peruvian tariff structure has been reduced and presents three levels: 0 percent, 6 percent and 11 percent. The current simple MFN average tariff at HS 10-digit level is equal to 3.2 percent. Of these tariff lines, 55.6 percent are equal to zero, which are equivalent to 75.7 percent of Peru's total imports.

#### Non-Tariff Measures

Peru does not apply any quantitative import restrictions or prohibitions. No import licensing or export subsidies are applied. Imports are subject to the general sales tax equivalent to 16 percent and the municipal promotion tax (2 percent) applicable to 6,910 tariff lines. Some products are exempted. A selective consumer tax is applied to 126 tariff lines concerning fuel oils, cigarettes, liquors, beer, wine and vehicles.

Some restrictions remain with regards to the importation of used clothing and footwear, used tires, cars and trucks older than five and eight years old, respectively.

#### Services

In January 2011, in order to promote international trade in services, it was established that exporting services activities were not going to be affected by value added tax. In July 2011, Peru enacted the Law for the Promotion of Data Privacy to encourage Business Processes Outsourcing.

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\* This brief report was prepared with information from Peru's submission of 2012 APEC Individual Action Plan (IAP) template and Peru's 2010 submission of APEC Bogor Goals Fact Sheets on Trade and Investment Liberalization and Facilitation Efforts

With regards to telecommunications services, number portability for mobile phones was implemented in January 2010. In addition, a virtual mobile area which eliminated long distance calls and established local rates for all calls to mobile phones was set in September 2010.

### **Investment**

No screening mechanisms, no performance requirements are applied. Certain limitations on foreign investments in broadcasting, air and water transport and ownership of real estate and some resources within fifty kilometers of Peru's international borders are applied. However, these limitations can be waived by decree on a case by case basis.

Peru has reported progress in the context of implementing APEC Non-Binding Investment Principles, in particular concerning business facilitation, international investment agreements and double taxation treaties. Since 2009, four Bilateral Investment Treaties have been signed, as well as one agreement to avoid double taxation.

### **Standards and Conformance**

In 2011, the National Institute for Defense of Competition and Protection of Intellectual Property (INDECOPI) approved 760 technical standards, 14.5 percent of them corresponded to the adoption of international standards. Most of the rest are based on regional standards, domestic standards and other well-known standards. In relation to sanitary and phytosanitary measures, between 2010 and 2011, the National Service of Agrarian Health issued 150 regulations that establish sanitary and phytosanitary requirements, all of them aligned with the recommendations of the WTO Sanitary and Phytosanitary Committee and other competent multilateral organizations.

The adoption of standards in Peru involves a process of public discussion with stakeholders. At the APEC level, Peru's technical standards are aligned with the international standards target at the Voluntary Action Plan. INDECOPI is participating actively in the International Organization for Standardization, the International Electrotechnical Commission and the FAO/WHO Codex Alimentarius Commission. The National Accreditation Service has signed a Mutual Recognition Arrangement with the International Accreditation Forum in the area of Systems Certification Bodies of Quality System.

### **Customs Procedures**

Peru has implemented a number of initiatives to facilitate trade by streamlining customs procedures. In this regard, the Single Window started its operations in January 2010, which allows customs declarations to be prepared by electronic means. Data on cargo manifest is sent electronically prior to cargo arrival. Measures to secure trade have also been implemented, including new customs clearances processes involving risk management. The Peruvian Customs Act establishes that customs clearance cannot longer than 48 hours in regular conditions and express delivery consignments could not take more than six hours.

Advance rulings procedures are available from February 2010. These advance ruling are related to customs valuation criteria, application of returns, suspensions, exoneration of customs rights and re-imports of repaired or shaken goods.

### **Intellectual Property Rights**

In August 2011, Peru became a member of the International Convention for the Protection of New Varieties of Plants (UVOV) and amended relevant domestic legislation on new plant breeders.

To promote transparency, INDECOPI implemented a system for electronic trademark filling.

### **Competition Policy**

Changes to legislation in order to make more effective repealing anticompetitive practices have been introduced since 2008. The current Competition Law allows the competent authority to request information, organize in situ inspections and decide to initiate a procedure against any anticompetitive conduct.

### **Deregulation/Regulatory Reform**

In order to improve the business environment and encourage private investment growth, the Competitiveness Council at the Ministry of Economy and Finance is implementing a plan to improve Peru's performance in the World Bank's Doing Business, in particular in the areas of Starting a Business, Dealing with Construction Permits, Enforcing Contracts, Trading Across Borders, Paying Taxes, Registering Property and Investors' Protection.

### **Mobility of Business People**

The modifications to the Foreigner Status Law expanded the period of stay for business persons. Temporary Business Visas are granted for up to 183 days.

### **RTA/FTAs**

Peru has a comprehensive RTA/FTA network. 14 RTA/FTAs are currently in force with several counterparts around the world. Four additional RTA/FTAs have been successfully concluded and are pending of implementation and three RTA/FTAs are currently under negotiation.