

**COMISSÃO DA CEDEAO**

**ECOWAS COMMISSION**



**COMMISSION DE LA CEDEAO**

**TRAINING OF ANGLOPHONE TRAINERS ON THE ECOWAS TRADE  
LIBERALIZATION SCHEME (ETLS)  
(6 to 10 June 2016, Accra, Ghana)**

**PRACTICAL GUIDE  
FOR FILLING IN THE STANDARD  
APPROVAL APPLICATION FORM  
UNDER THE ECOWAS TRADE  
LIBERALIZATION SCHEME (ETLS)**

## 1 INTRODUCTION

The ECOWAS Trade Liberalization Scheme (ETLS) is the main operational tool for promoting the West African region as a Free Trade Area. The ETLS is an essential first step towards achieving the community objective of creating a common market through “the liberalization of trade by the abolition, among Member States, of customs duties levied on imports and exports, and the abolition among Member States, of non-tariff barriers....”. – Article 3 of ECOWAS Treaty .... – Article 3 of the ECOWAS Revised Treaty.

The Scheme has undergone a series of transformations as far as the categories of products are concerned.

The first category was defined when the Scheme was launched in 1979. At the time, the agreement provided that only agricultural products, handicrafts and raw products would benefit from the Scheme. Later in 1990, the agreement was expanded and industrial products could benefit from the Scheme subject to approval.

With the inclusion of industrial products, it became necessary to define «originating» products from the region under the ETLS. The two Community texts below were therefore adopted by ECOWAS:

- Protocol A/P1/1/03 of 31 January 2003 relating to definition of the concept of products originating from Member States of the Economic Community of West African States;
- Regulation C/REG.3/4/02 of 23 April 2002 establishing the procedure for approval of originating products under the ECOWAS Trade Liberalization Scheme.

Thus, Article 10 of the above-mentioned Regulation stipulates that “*Applications for approval to benefit from the preferential tariffs granted under the ECOWAS trade liberalization scheme must be submitted on a form, the prototype of which is attached to this regulation*”.

Therefore, enterprises have the responsibility of filling in their standard forms and submitting them to Member States for the review of applications for approval under the Scheme.

Duly completed approval application forms shall be forwarded to the competent national authority.

The competent national authority shall check whether the aforementioned forms are properly filled by the enterprises concerned.

This document is intended as a guide for the competent national authorities of ECOWAS member states whilst checking the correct filling of the approval application forms by the enterprises concerned under the ECOWAS Trade Liberalization Scheme (ETLS).

## 2 PRESENTATION OF THE STANDARD APPROVAL APPLICATION FORM

The standard approval application form under the ECOWAS Trade Liberalization Scheme includes the four (4) sections below:

No	Chapters	Sections
1	Characteristics of the company	1.1 Corporate identity 1.2 Head office address 1.3 Industry and branch 1.4 Legal status 1.5 Benefits granted to the company in the country of establishment and their duration 1.6 Number and location of production companies
2	Characteristics of the product for which approval is sought	2.1 Listing of products in the terms of ECOWAS customs nomenclature 2.2 Details of these products 2.3 Trademark and sales labels
3	Information on production	3.1 Detailed description of production process 3.2 Raw materials used to obtain manufactured products 3.3 Consumables used to obtain manufactured products 3.4 Packages used for packaging manufactured products
4	Information relating to the determination of the ex-factory cost price and value added	4.1 Establishment of a fact sheet for determining the ex-factory cost price excluding tax and value added for each product or group of product

### **3 PROCEDURES FOR FILLING IN THE STANDARD APPROVAL APPLICATION FORM**

Procedures for filling in the standard approval application form under the ECOWAS Trade Liberalization Scheme (ETLS) are given below.

#### **3.1 Characteristics of the enterprise**

This section covers:

##### **3.1.1 *Corporate Identity***

The company must provide the following information:

- Name or company name, Registration N° in the Trade Register ;
- Head office address, with P.O. Box, Telephone No, Fax, E-mail and Website ;
- Address of production sites.

A copy of its registration certificate on the Trade Register must be attached.

##### **3.1.2 *Industry and branch based on the International Standard Classification of All Economic Activities (ISIC)***

The company must specify its sector and industry as notified by the Directorate of industries during its registration on the list of industrial companies.

##### **3.1.3 *Legal Status***

The company must indicate its legal status and attach a copy of its legal statutes.

### **3.1.4 Benefits granted to the enterprise in the Member State of establishment and their duration**

The company must mention the benefits it enjoys as granted during its approval under the Investment Code.

### **3.1.5 Approval number under the ECOWAS Trade Liberalization Scheme (ETLS)**

Only already approved enterprise must indicate their seven (7) digit approval number.

### **3.2 Characteristics of manufactured product or (products) for which approval is sought . Listing of products using the terms of the ECOWAS Tariff and Statistical Nomenclature (NTS) and by indicating their trade name**

The products for which approval is required are listed in terms of the **description** of goods in the Tariff and Statistical Nomenclature based on the ECOWAS Harmonized Commodity Description and Coding System.

The provision of any technical documentation to verify the tariff classification and, if possible, a sample of the manufactured product is required.

#### **3.2.1 Details of manufactured products under the headings or subheadings concerned of the ECOWAS nomenclature**

The detail to be provided in this section relates to the tariff heading under which products (or group of products) fall and the subheading to which the products concerned are linked.

Example: The double concentrated tomato paste falls under the heading, 2002 « Tomatoes prepared or preserved ». It is **linked** to the subheading 2002.90.20.00 « -- Tomato concentrates packaged for retail sale».

#### **3.2.2 Trademarks and sales labels used to market products (and all information needed to identify manufactured products)**

The enterprise must list and describe the types of marking (on the products themselves, where technically possible, on immediate packing and packaging for shipping) and mention models of self-adhesive stickers, if any.

If this is the case, indicate the different types of containers and specify their capacity.

Example: The double concentrated tomato paste is marketed under the trade names « DIATAYE » and « BABS » with the specifications in terms of packaging listed in the table below:

<b>Product</b>	<b>Trade Name</b>	<b>Packaging</b>
Tomato concentrates packed for retail sale	Double concentrated tomato paste : - DIATAYE - BABS	Carton of 12 cans of 2 kg
		Carton of 30 cans of 800 g
		Tray of 6 cans of 2 kg
		Tray of 12 cans of 800 g

The products are packaged in metal cans. Cartons and paper pallets as well as plastic rolls are used for the outer packaging.

The packages bear the words « Manufactured by APAPA S.A», the «Net Weight» and contacts of the producing company (full address with website, email, etc.).

### **3.3 Information on production**

#### **3.3.1 *Description of the manufacturing process***

The description of the manufacturing process should help identify the various stages of incorporating the materials used during the period to obtain the products (or group of products).

This stage of filling in the standard form is usually illustrated by a chart.

#### **3.3.2 *Raw materials used to obtain manufactured products***

The table below must be filled

Products obtained :	Reference year :		
Description of raw materials (1)	ECOWAS / Customs Nomenclature Number	Quantity used	Value on entry into factory
A. <u>Foreign Origin</u>			
B. <u>ECOWAS Origin</u>			

It must be established for each product (or product group) concerned.

It must provide the information below:

- Reference year ;
- Products obtained ;
- Description of raw materials (these are raw materials mainly used). The following specification is required for each raw material :
  - Origin (Foreign or ECOWAS) ;
  - 10-digit Number of the ECOWAS Customs Nomenclature;
  - Quantities used;
  - Factory input values.

For raw materials of ECOWAS origin, it is necessary to provide a supplementary sheet specifying the identity of suppliers.

#### **3.3.3 *Consumables used to obtain manufactured products***

The table below must be filled:

Products obtained:	Reference year:
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Description of raw materials (1)	ECOWAS / Customs Nomenclature Number	Quantities used	Value on entry into factory
A. <u>Foreign Origin</u>			
B. <u>ECOWAS Origin</u>			

It must be established for each product (or group of products) concerned.

It must provide the information below:

- Reference year ;
- Products obtained ;
- Description of consumables (consumables mainly used must be specified). The following specification is required for each consumable :
  - Origin (Foreign or ECOWAS) ;
  - 10-digit Number of the ECOWAS Customs Nomenclature;
  - Quantities used;
  - Factory input value.

For consumables of ECOWAS origin, it is necessary to provide a supplementary sheet specifying the identity of suppliers.

### **3.3.4 Packages used for packaging of manufactured products for marketing**

The table below must be filled

Products obtained :	Reference year :		
Package Description (1)	ECOWAS / Customs Nomenclature Number	Quantities used	Value on entry into factory
A. <u>Foreign Origin</u>			
B. <u>ECOWAS Origin</u>			

It must be established for each product (or group of products) concerned.

It must provide the information below:

- Reference year ;
- Products obtained ;
- Package Description. The following specification is required for each packaging:
  - Origin (Foreign or ECOWAS);
  - 10-digit Number of the ECOWAS Customs Nomenclature;
  - Quantities used;
  - Factory input value.

For packaging of ECOWAS origin, it is necessary to provide a supplementary sheet specifying the identity of suppliers.

### 3.4 Cost price sheet for determining the origin based on value added

The table below must be filled:

Name of product :

TS N:

Max. production capacity:

Quantity produced :

Components determining ex-factory cost price Reference year (1) :	Value per unit produced (2) (3)	Percentage (%)
<b>1°) Raw materials used</b>		
- ECOWAS Origin :		
- Foreign Origin :		
. CIF value (4)		
. Transport, transit to the factory (5)		
. Import duties and taxes		
<b>2°) Consumables used</b>		
- ECOWAS Origin :		
- Foreign Origin:		
. CIF value(4)		
. Transport, transit to the factory (5)		
. Import duties and taxes		
<b>3°) Packaging used to package products</b>		
- ECOWAS Origin :		
- Foreign Origin:		
. CIF value(4)		
. Transport, transit to the factory (5)		
. Import duties and taxes		
<b>4°) Other business expenses</b>		
- Salaries and wages(6)		
- Taxes (at the enterprise's expenses)		
- Outsourced work, supplies and services		
- Transport and travel		
- Financial expenses (8)		
- Depreciation (buildings and equipment) (9)		
<b>EX-FACTORY COST PRICE</b>		
<b>VALUE ADDED</b>		

It must be established for each product (or group of products) concerned.

It must provide the information below:

- Name of product (or group of products) ;
- Tariff and Statistical Nomenclature (TSN);
- Maximum production capacity;
- Quantity produced;
- Reference year;
- Components determining ex-factory cost price, namely :
  - Raw materials used (refer to the component values listed in Table 3.2), under ECOWAS and Foreign Origin. The factory input value in Table 3.2 is broken down into :

- CIF value;
  - Transport, transit to the factory (transport and transit to the border of the importing country plus transport and transit to the factory) ;
  - Import duties and taxes.
- Consumables used (refer to the component values listed in Table 3.3), under ECOWAS and Foreign Origin. The factory input value in Table 3.3 is broken down into:
    - CIF value;
    - Transport, transit to the factory (transport and transit to the border of the importing country plus transport and transit to the factory) ;
    - Import duties and taxes.
  - Packages used in packaging products (refer to the component values listed in Table 3.4), under ECOWAS and Foreign Origin. The factory input value in Table 3.4 is broken down into:
    - CIF value;
    - Transport, transit to the factory (transport and transit to the border of the importing country plus transport and transit to the factory) ;
    - Import duties and taxes.
  - Other business expenses, namely :
    - Wages and salaries. These Salaries and wages should not exceed 20% of ex-factory cost price excluding taxes;
    - Taxes (at the enterprise's expenses) ;
    - Outsourced works, supplies and services (OWSS). These OWSS should not exceed 10% of ex-factory cost price excluding taxes and those that are not directly involved in production are excluded in the calculation of the Community value added (overheads such as telephone, fax, advertising, commissions and brokerage and other subsequent costs) ;
    - Transport and travel;
    - Financial expenses and similar charges. These financial expenses and similar charges should not exceed 3% of the ex-factory cost price excluding taxes;
    - Depreciation (buildings and equipment). These depreciations should be on a supplementary sheet providing details of investments, rates and method of depreciation.
- The column, «Total value of production, in thousands or millions of local currency» :
    - This column is completed for each expenses line or component of the ex-factory cost price;
    - The total value of production (all expenses lines or components of ex-factory cost price) constitute the ex-factory cost price in thousands or millions of local currency ;
  - The column, «Value per unit produced in thousands or millions of local currency, accurately giving the unit of measurement (kilogram, meter, m<sup>3</sup>, etc.) »:
    - It is obtained by dividing each expenses line or components of cost price by the quantity produced;



- The cumulative values per unit produced constitute the ex-factory cost price per unit produced;
- The column, « Percentage (%) » :
  - It is obtained by dividing each expenses line or components of ex-factory cost price by the total value of production (all the expenses lines or components of the ex-factory cost price);
  - The accumulation of expenses lines or components of cost price in percentage (%) must represent 100% of ex-factory price.
- The line, «EX-FACTORY COST PRICE», as indicated above is represented by :
  - Total value of production ;
  - Aggregate of values per unit produced;
  - Aggregate of expenses lines or components of the ex-factory cost price in percentage (%).
- The line, «VALUE ADDED in %» :
  - «Community value added» is defined as the difference in percentage between the ex-factory cost price excluding taxes on the product (or group of products) concerned and the CIF value of raw materials, consumables and packaging of foreign origin used to obtain the finished product (or group of products ) in a form ready for the market ;
  - Under this definition, Community Value Added (VA) is obtained by using the formula below:

$$VA (\%) = \frac{(PR - i - ii - iii)}{PR} \times 100$$

Where:

- VA** : Represents the community value added in percentage (%);
  - PR** : represents the ex-factory cost price excluding taxes defined in the Regulation determining the components of community value added of industrial products with the ECOWAS region;
  - i** : represents the CIF value, port of discharge, of raw materials imported within ECOWAS ;
  - ii** : represents the CIF value, port of discharge, of consumables imported within CEDEAO ;
  - iii** : represents the CIF value, port of discharge, of packages imported within ECOWAS.
- The components of the cost price to be considered for the calculation of the value added are assessed according to the rules defined in the Regulation

determining the components of community value added of industrial products with ECOWAS region.

#### **4 CHECKING OF THE FORM SUBMITTED BY A COMPANY APPLYING FOR APPROVAL UNDER THE ETLs**

The duly completed approval application forms, accompanied by all the required additional documents are subject to review at the national level by the National Approvals Committee (NAC) which ensures, among others, that products submitted are of community origin.

Companies that meet the conditions for approval are recommended for approval to the competent national authority by the NAC.

The competent national authority forwards the successful application forms to the ECOWAS Commission.

The ECOWAS Commission Customs Directorate reviews the forms and recommends to the Commissioner responsible for the ECOWAS Trade Liberalization Scheme (ETLS) for decision and signature on behalf of the ECOWAS Commission. The Commission notifies Member States of the list of approved enterprises and products.

The competent national authority informs the companies concerned that their products have been approved. Therefore, the Certificates of Origin can be applied for. Companies can export their goods duty free to any ECOWAS Member State using their Certificates of Origin. They must therefore ensure that they have their Certificate Origin before attempting to export.

To capitalize on this expertise and ensure understanding and consistency in filling in the standard approval application form by all National Approvals Committees (NACs) of ECOWAS member states, and to facilitate the uniform review of the forms by the aforementioned NACs, a «(Check-list) sheet for the review of forms under the ETLs for approval» has been developed for their use.

#### **5 CONCLUSION**

The approval of an industrial enterprise under the ECOWAS Trade Liberalization Scheme (ETLS) begins with the proper filling of its approval application form. The more the information provided in the application, the faster the approval.

This document will actually be helpful if members of the National Approvals Committees (NACs) of Member States show understanding and master the instructions for completing the standard approval form under the ECOWAS Trade Liberalization Scheme (ETLS) to assist and advise industrial enterprises in this exercise.

It is expected that the complexity involved in the filling of the standard approval application forms under the ETLs will be demystified within the business community followed by massive submission of approval application forms by the industrial enterprises in the Member States.

Appendix

- Standard approval application form under the ETLs.

# **APPENDIX**

**ECONOMIC COMMUNITY OF  
WEST AFRICAN STATES**

**COMUNIDADE ECONOMICA DOS  
ESTADOS DA AFRICA OCIDENTAL**



**COMMUNAUTE ECONOMIQUE  
DES ETATS DE L'AFRIQUE  
DE L'OUEST**

# **APPLICATION FORM FOR ADMISSION TO THE ECOWAS TRADE LIBERALIZATION SCHEME**

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**To be completed by the Industrial enterprise  
and submitted by the ECOWAS Member States**

## **CONTENT OF APPLICATION FORM**

### **1. IDENTITY OF ENTERPRISE**

- 1.1 Business Name; Registration No.
- 1.2 Address of Head Office (P.O. Box; Telephone No, Fax No)
- 1.3 Sector and Branch of Activity
- 1.4 Legal Status
- 1.5 Preferential treatment granted by Member State of domiciliation
- 1.6 Number and location of factory/factories

### **2. MANUFACTURED PRODUCTS SUBMITTED FOR APPROVAL**

- 2.1 Description of product under ECOWAS Customs Nomenclature
- 2.2 Type of Product
- 2.3 Brand name and manufacturing label

### **3. MANUFACTURING PROCESS**

- 3.1 Description of manufacturing process
- 3.2 Raw materials employed
- 3.3 Consumables utilized
- 3.4 Type of packaging utilized

### **4. DETERMINATION OF EX-FACTORY PRICE AND VALUE ADDED**

- 4.1 Applicant must complete form, indicating components determining ex-factory price and value-added for each product or group of products

## 1. IDENTITY OF ENTERPRISE

1.1 Business Name and Registration No:

Headquarters Address:

P.O. Box:

Telephone No.:

Fax No.:

E-mail address:

Website:

1.2 Sector and Branch of Activity:

1.3 Legal Status:

1.4 Preferential Treatment granted by Member State of Domiciliation (2)

1.5 Approval number issued under the liberalisation scheme (3):

1.6 Number and location of establishments:

(1) *attach copy of Statutes*

(2) *attach copy of text granting such treatment*

(3) *for already approved enterprises*

## **II. MANUFACTURED PRODUCT SUBMITTED FOR APPROVAL**

2.1 Describe product using ECOWAS Tariff and Statistical Nomenclature and indicating trade description (attach any official documents attesting to tariff classification, and, where possible, include a sample of product).

2.2 State tariff item or sub-item classification of manufactured product under ECOWAS Nomenclature

2.3 State brand name or manufacturing label used for marketing purposes (include any useful indications for the identification of the manufactured product)

### III. MANUFACTURING PROCESS:

3.1 Description of manufacturing process

3.2 Raw material utilised

1. Use model table for each product submitted for approval

Product Manufactured:	Reference Year:		
Description of raw materials (1)	ECOWAS Customs Nomenclature No	Quantity Utilised	Value on entry into factory
<b>A. <u>Raw Materials of Foreign Origin</u></b>			
<b>B. <u>Raw Materials of ECOWAS Origin</u></b>			

**(1)** *State principal raw materials utilised*



### 3.3 Consumables Utilised in the Manufacture of Products Submitted for Approval

2. Use model table for each product submitted for approval

<b>Product Manufactured:</b>	<b>Reference Year:</b>		
<b>Description of Consumables (1)</b>	<b>ECOWAS Customs Nomenclature No</b>	<b>Quantity Utilised</b>	<b>Value on entry into factory</b>
<b>A. <u>Consumables of Foreign Origin</u></b>			
<b>B. <u>Consumables of ECOWAS Origin</u></b>			

(1) State principal consumables utilised:

### 3.4 Packaging Utilised for Marketing Purposes

Product Manufactured:	Reference Year: 2013		
Description of packaging (1)	ECOWAS Customs Nomenclature No	Quantity Utilised	Value on entry into factory
<b>A. <u>Packaging of Foreign Origin</u></b>			
<b>B. <u>Packaging of ECOWAS Origin</u></b>			

#### IV. CALCULATION OF EX-FACTORY COST PRICE AND VALUE ADDED

Description of product:  
Maximum production capacity:

TSN : .....  
Quantity produced:

Components determining ex-factory cost price Reference Year:	Value per unit produced (2) (3)	%
<p><b>1*) Raw materials utilised:</b></p> <ul style="list-style-type: none"> <li>- of ECOWAS origin</li> <li>- of foreign origin                             <ul style="list-style-type: none"> <li>. CIF value (4)</li> <li>. Transport, transit to factory</li> <li>. Import duties and taxes</li> </ul> </li> </ul> <p><b>2*) Consumables utilised:</b></p> <ul style="list-style-type: none"> <li>- of ECOWAS origin</li> <li>- of foreign origin                             <ul style="list-style-type: none"> <li>. CIF value (4)</li> <li>. Transport, transit to factory</li> <li>. Import duties and taxes</li> </ul> </li> </ul> <p><b>2*) packaging utilised</b></p> <ul style="list-style-type: none"> <li>- of ECOWAS origin</li> <li>- of foreign origin                             <ul style="list-style-type: none"> <li>. CIF value (4)</li> <li>. Transport, transit to factory (5)</li> <li>. Import duties and taxes</li> </ul> </li> </ul> <p><b>4*) other expenditure borne by company</b></p> <ul style="list-style-type: none"> <li>- Salaries and wages (6)</li> <li>- Duties and taxes ( borne by company)</li> <li>- Works, supplies and services provided from external sources (7)</li> <li>- Transport and travels</li> <li>- Miscellaneous management costs</li> <li>- Financial charges (8)</li> <li>- Amortisements (buildings &amp; equipment (9)</li> </ul>		
<b>EX-FACTORY COST PRICE</b>		
<b>VALUE ADDED</b>		

- (1) state reference year
- (2) state whether thousands or millions in local currency
- (3) state unit of measure (kilo, metre, m<sup>3</sup>, etc)
- (4) CIF value of raw materials and/or consumables
- (5) Transport-transit to border of importing State + transport-transit to factory (for land-locked countries)
- (6) Salaries and wages may not exceed 20% of cost price
- (7) Works, supplies and ext. services may not exceed 10% of cost price, and must be directly tied to production
- (8) Financial charges may not exceed 3% of cost price
- (9) Amortisements must be recorded on separate form, giving details on investments made and rate and mode of amortisement