

CARIBBEAN BASIN INITIATIVE (CBI)

Since 1984, CBI has been a program providing for the duty-free entry of merchandise from the designated countries or territories listed below. The list of the beneficiary countries may change periodically. Please see General note 3(c)(vi) in the latest edition of the Harmonized Tariff (HS).

Antigua	El Salvador	Netherlands Antilles
Aruba	Grenada	Nicaragua
Bahamas	Guatemala	Panama
Belize	Guayana	St. Kitts/Nevis
British Virgin Islands	Haiti	St. Lucia
Costa Rica	Honduras	St. Vincent & the Grenadines
Dominica	Jamaica	Trinidad & Tobago
Dominican Republic	Montserrat	

Classification subheadings in the HS, identified with either an E or E* in the special column of the Harmonized Tariff Schedule, may qualify for duty free treatment. E* indicates that certain Countries are excluded from CBI consideration. Articles produced from 100 percent US components, other than textiles, apparel, petroleum and petroleum products, are eligible for duty free entry into the USA under new CBI legislation enacted in 1990. Products eligible for duty free entry may still be subject to federal excise taxes but are exempt from MPF.

Not all products are eligible for duty free entry into the US under CBI. Exclusions Include:

- Most textiles and apparel, except those made of silk blends or vegetable fibers other than cotton
- canned tuna
- petroleum products
- footwear, except disposable items and footwear parts
- certain type of gloves
- luggage, handbags and flat goods
- certain leather wearing apparel
- articles of ethanol
- sugar
- beef

In order to qualify, merchandise must be imported directly from any beneficiary country into the Customs territory of the United States, and the merchandise must have been produced or substantially transformed into a new and different article of commerce in a beneficiary country. At least 35 percent of the appraised value of the article imported into the US must consist of the cost or value of materials produced in one or more beneficiary country and/or the direct costs of processing operations performed in one or more beneficiary countries.** The cost or value of materials imported into a beneficiary country from a non-beneficiary country may be included in calculating the 35 percent value-added requirement for an eligible article, if the materials are first substantially transformed into new and different articles of commerce and are then used as constituent material in the production of the eligible article.

** The Commonwealth of Puerto Rico and the U.S. Virgin Islands are defined as beneficiary countries for purposes of this requirement. Therefore, value attributable to Puerto Rico or the Virgin Island may also be counted in addition the cost or value of materials products in the Customs territory of the United States.