DOING BUSINESS WITH HAITI

May 2007

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1. GENERAL INFORMATION

Official Name: Republic of Haiti

Capital: Port-au-Prince

Area: 27,750 sq kilometers

Population: 8,706,497 (July 2007)

Population growth index: 2.453% (2007 est.)

Population density: 313.75 inhabitants per sq km

Official language: French and Haitian Creole (official)

Currency: Gourde (HTG)

Exchange rate: US$1 = 35HTG

Climate: Tropical; semiarid where mountains in east cut off trade winds

Principal Cities and Population: (2005 est.)

Port-au-Prince	2,000,000
Cap Haitien	600,000
Port De Paix	115,000
Gonaives	104,825
Hinche	50,000

Airports: Toussaint Louverture International Airport serves as Haiti's main international gateway. Cap Haitien International Airport is the second airport in Haiti and is located in the city with the same name, Cap-Haïtien, north Haiti.

Ports: There are quite a few port and harbours in Haiti where ships can dock. The two main international ports, or ports officially opened to external trade, in Haiti are the ports of Port-au-Prince and that of Cap-Haïtien.

Holidays:

Independence Day	Jan 01
Ancestors' Day	Jan 02
Carnival	Feb 19-21
Good Friday	Apr 09
Pan-American Day	Apr 14
Agriculture and Labor Day	May 01
Ascension Thursday	May 17
Flag and University Day	May 18
Corpus Christi	Jun 07
Feast of the Assumption	Aug 15
Anniversary of the Death of Jean-Jacques Dessalines	Oct 17
United Nations Day	Oct 24
All Saints Day	Nov 01
All Souls Day	Nov 02
Battle of Vertières' Day	Nov 18
Christmas Day	Dec 25 [1]

Life Expectancy: Total Population - 57.03 years

Literacy Rate: Total Population - 52.9 percent

Local Time: UTC-5 (same time as Washington, DC during Standard Time)

Telephone Codes: 509

Health: Medical facilities are limited, particularly in areas outside the capital, Port-au-Prince. Doctors and hospitals often expect immediate cash payment for health care services.

[1] http://www.haiti.org/general_information/holi_days.htm

2. THE ECONOMY

2.1 Structure of the Economy

Haiti is the poorest country in the Western Hemisphere, with 80 percent of the population living under the poverty line and 54 percent in abject poverty.

Two-thirds of all Haitians depend on the agriculture sector, mainly small-scale subsistence farming, and remain vulnerable to damage from frequent natural disasters, exacerbated by the country's widespread deforestation.

A macroeconomic program developed in 2005 with the help of the International Monetary Fund helped the economy grow 1.8 percent in 2006, the highest growth rate since 1999. Haiti suffers from higher inflation than similar low-income countries, a lack of investment, and a severe trade deficit.

In 2005, Haiti paid its arrears to the World Bank, paving the way for reengagement with the Bank. The government relies on formal international economic assistance for fiscal sustainability. In 2006, Haiti held a successful donors conference in which the total aid pledged exceeded Haiti's request. Remittances are the primary source of foreign exchange, equaling nearly a quarter of GDP. [2]

2.2 Recent Economic Performance

Haiti's real GDP growth turned negative in the fiscal year 2001 after six years of growth. Following almost 4 years of recession ending in 2004, the economy grew by 1.5 percent in 2005 and 2.5 percent in 2006. But significant improvement in living standards would require an estimated doubling of the growth rate.

Since the departure of President Aristide, the financial situation has stabilized. Inflation fell from 42.7 percent at end-2003 to 12.4 percent at end-2006. The interim government conducted a largely sound fiscal policy which has been followed by the Alexis government. But the traditional low revenue collection rate (roughly 9 percent of the GDP) constrains its ability to provide social services and invest in physical and human capital. External assistance (approximately US$965 million from July 2004 through March 2006) as well as diaspora remittances (estimated at approximately US$1.65 billion) remain critical to keeping the economy afloat. In November 2006, Haiti was approved for an International Monetary Fund (IMF) Poverty Reduction and Growth Facility (PRGF) and reached decision point under the Heavily Indebted Poor Countries (HIPC) Initiative. [3]

GDP (2006): US$4.8 billion
Real GDP growth rate (2006): 2.5%
Per capita GDP (2006): US$527
Inflation (2006 est.): 12.4%

There is widespread unemployment and underemployment in Haiti. More than

[2] https://www.cia.gov/library/publications/the-world-factbook/geos/ha.html

[3] http://www.state.gov/r/pa/ei/bgn/1982.htm

two-thirds of the labor force do not have formal jobs (2002 est.) [4]

2.3 Overview of Trade

Haiti's trade policy forms an integral part of economic policy, whose major objectives are to provide the conditions needed for satisfactory economic growth, to mobilize and support the business sector, to facilitate job creation and lower the unemployment rate, and to give Haiti the extensive infrastructure needed for its development.

The Government defined the major trade policy objectives during the Sectoral Round Table on Trade. These should bolster the efforts made in the economic policy field by creating a more business-friendly environment. This means that the liberalization process must continue, but it also requires the implementation of provisions to improve and diversify Haiti's export capacity and strengthen its national production capacity, while at the same time enhancing the competitiveness of Haitian enterprises on international markets. Consequently, Haiti's investment policy cannot be dissociated from its trade policy.

Tariffs on agricultural goods have been bound at rates ranging from zero to a ceiling of 50 percent – mainly grains. Other duties and levies on non-agricultural products were bound at 16 percent.

Haiti's simple average tariff is the lowest in the region at 2.9 percent. The tariff comprises six rates with a maximum of 57.8 percent on imports of gasoline. With the exception of this ceiling, the highest rate is 15 percent. The modal rate is zero; this applies to around 67 percent of tariff headings in the eight-digit Harmonized System. Overall, tariffs decline from the first to the second stage of processing and then rise from semi-finished products (second stage of processing) to finished products. Agriculture is the sector that enjoys the highest tariff protection, with a simple average tariff of 4.5 percent and rates ranging from zero to 15 percent. Tariff protection in the manufacturing industry is 2.8 percent, with rates ranging from zero to 57.8 percent. [5]

Current account balance is US$58.72 million (2006 est.)

2.3.1 Exports

Total exports (2006): US$494.4 million

Major market--U.S. [6]

2.3.2 Imports

Imports: US$1.721 billion (2006 est.)

Imports - partners: US 47%, Netherlands Antilles 12%, China 3.5% (2006) [7]

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[4] http://www.state.gov/r/pa/ei/bgn/1982.htm

[5] http://www.thecommonwealth.org/Templates/HSInternal.asp?NodeID=148336

[6] http://www.state.gov/r/pa/ei/bgn/1982.htm

[7] https://www.cia.gov/library/publications/the-world-factbook/geos/ha.html

3. GENERAL MARKETING FACTORS

3.1 Distribution and Sales Channels

Market prospects for manufactured imports are relatively good because Haiti's manufacturing capacity is focused primarily on textiles and apparel for the export market. Companies have several options for entering the Haitian market, including direct exporting, franchising, licensing, and wholesaling.

The four main regional markets in Haiti are: the provinces in the North (le Departement du Nord) around the city of Cap Haitien; the "Artibonite Department" (le Departement de l'Artibonite) around Saint-Marc and Gonaives; the central part of the country around Port-au-Prince (le Departement de l'Ouest); and the southern claw around the cities of les Cayes and Jacmel (le Departement du Sud-est et du Sud).

Rural retailers generally travel once a month to large cities such as Port-au-Prince or Cap Haitien to buy food and other imported products from wholesalers who import primarily from the U.S., the Dominican Republic, and Panama.

3.2 Use of Agents/Distributors

Many foreign firms do business in Haiti through agents. Under Haitian law, two parties are free to negotiate a contractual agreement. Typically, through negotiation, agents are appointed specific tasks and duties. Agents are almost always compensated on a commission basis, as opposed to a salary system or other compensation packages. Arrangements made with agents are established at the discretion of the two parties and require neither Haitian government supervision nor approval.

3.3 Franchising

Franchising exists in Haiti, but there are no specific regulatory laws. The government allows any private citizen to enter into a franchising agreement and does not require the submission of contractual specifications or technical specifications on machinery and equipment used. Companies with franchisees or affiliated local partners in Haiti include Radio Shack, Federal Express (FedEx), United Parcel Service (UPS), Culligan Water Technologies, Coca Cola, Pepsico, NAPA Auto Parts, Domino's Pizza, and Jerry's Subs and Pizza.

3.4 Promotion

Advertising is done primarily through radio. There are more than 50 AM/FM radio stations in Haiti. Ten radio stations broadcast nationwide. Some advertising is done through daily newspaper such as "Le Nouvelliste".

3.5 Transportation

All of the major transportation systems in Haiti are located near or run through the capital. Haiti has two main highways that run from one end of the country to the other. The northern highway, Route Nationale #1 (National Highway One), originates in Port-au-Prince, winding through the coastal towns of Montrouis and Gonaïves, before reaching its terminus at the northern port Cap-

Haïtien. The southern highway, Route Nationale #2, links Port-au-Prince with Les Cayes via Léogâne and Petit Goâve. Maintenance for these roads lapsed after the 1991 coup, prompting the World Bank to loan USD 50 million designated for road repairs. The project was canceled in January 1999. Haiti also has a third major highway, the Route Nationale #3, which connects Port-au-Prince to Cap-Haitien via the towns of Mirebalais and Hinche. This route links the capital and Le Cap to the central plateau; however, due to its poor condition, it sees limited use.

The most common form of public transportation in Haiti is the use of brightly painted pickup trucks as taxis called “tap-taps” They are named this because when a passenger needs to be let off they use their coin money to tap the side of the vehicle and the driver usually stops. Most tap-taps are fairly priced at around 10-15 gourdes per ride within a city. [8]

The major car rental agencies located in Port-au-Prince include Hertz, Avis, Budget, Dollar, and Secom. Air travel is possible from Port-au-Prince to most of the provinces. Though distances are short, travel in Haiti can be slow; the national highways to Jeremie, Port-de-Paix and Hinche are not paved. Privately operated taxicabs and other public transportation vehicles are also used. [9]

[8] http://en.wikipedia.org/wiki/Transport_in_Haiti

[9] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

4. MARKET ACCESS CONDITIONS

4.1 Customs Tariffs

Haiti's customs regulations were updated most recently in 1987. Since then the Haitian government has issued several decrees, published in the official registry, modifying the level of customs duties on virtually all products. The most significant decree was issued in March 1995 and effectively lowered all customs duties on a temporary basis until comprehensive new regulations could be promulgated. That decree is still in effect.

All imported commodities are subject to payment of customs duties and other taxes. The value of imported goods, based upon either the 'Free on Board' (FOB) or 'Cost, Insurance, Freight' (CIF) valuations, is converted into Haitian gourdes at the prevailing daily rate, prior to the application of duties and taxes. All duties and taxes are payable to the Haitian Customs Administration.

Any cargo vessel (sea, air, or land) coming to Haiti, loaded or unloaded, must be presented to customs upon arrival a bill of lading in four originals signed by the captain.

Customs valuation is based on:

Cost of the goods
Original invoice from the country of origin. If customs will not accept the invoice, blue book value will be used to set the price (this is almost always the case for cars, trucks, and other vehicles).

Insurance cost
Varies according to insurance company; customs generally accepts the cost

Freight cost - including port charges
Varies according to shipping company; customs generally accepts the cost

Verification of CIF value procedure:

1) The first control occurs during the customs clearance process. It includes an examination of documents presented and, if needed, an inspection of the goods.

2) The second control occurs after the goods have been cleared. During the second control, the value of goods is verified; invoice prices are checked during this control.

The Bank of the Republic of Haiti (BRH – the central bank) collects the duties for goods imported into Port-au-Prince. For goods shipped elsewhere in Haiti, duties are collected through the National Credit Bank (BNC). Customs formalities can take 24 to 48 hours if all necessary forms are in order.

4.1.1 Import Taxes

Inspection fee: The charge for inspection is 5 percent of CIF. The fee is waived for goods in the transit, storage, on temporary entry regimes, goods used for diplomatic missions and for the import of personal effects.

Value-Added Tax (TCA): The 10 percent TCA is a general tax on local sales of goods, supply of services, and imports. It is applied to the CIF value plus the customs duty, inspection fee and any excise duties. The TCA is calculated at each stage of production, distribution or importation. Products that are exempt from this tax are: petroleum products; newspapers, books, magazines and paper used for school materials; local agricultural products; agricultural, livestock breeding and fishing inputs; inputs used to manufacture medicines sold in pharmacies; agricultural, fishing and livestock breeding machinery and equipment; and legal services. Goods entering the country under the transit, storage, or temporary entry regimes, including those to be used in processing and assembly industries that are produced solely for export, are exempt.

Contribution to Management Funds for Territory Collectives (CFGDCT): The Contribution to Management Funds for Territory Collectives is applied at the rate of 2 percent on all imports except petroleum products, pharmaceuticals, parcel posts, food products, agricultural inputs and paper. Importers who are current on payment of their income tax pay 1 percent on CIF value of imported goods.

Excise Tax: A 10 percent fee is levied on imported cars of or over 2200cc, 90 percent of CIF on gasoline; 40 percent of CIF on diesel oil; 30 percent of CIF on kerosene; 2 percent of CIF on fuel oil; 2 percent of CIF on lubricants; and 3 percent of CIF on aviation fuel.

4.1.2 Other Tariffs

In general, tariff rates are low for raw materials and unprocessed goods and increase for semi-finished and finished goods.

There are additional taxes levied for the importation of new cars ranging from 5 - 20 percent. Passenger transportation vehicles for over 25 passengers and trucks over 2 tons are exempted. Pick-up trucks under 2 tons have a 5 percent levy.

Transit and storage duties are imposed on imports of goods entering under the relevant regimes. The highest transit duty is 5 Gourdes (GDS) per parcel or per 100 kg of net weight. Customs storage duties are 2 percent of the customs value per month of storage. In addition, shipping lines in Haiti have begun to levy demurrage charges against clients who are unable to remove their arrived goods from containers in the port in under 17 days. An experienced expediter can help move goods quickly and avoid onerous demurrage charges. [10]

4.2 Free Trade Agreements

4.2.1 Bilateral

The bilateral trade agreements to which the Republic of Haiti is party do not concern free trade as such but are rather framework agreements drawn up according to the most-favoured-nation principle. Such agreements have been signed with Argentina, Bahamas, China, Colombia, Denmark, Dominican Republic, Germany, Iceland, Israel, Italy, Japan, and Liberia. Haiti has bilateral trade agreements with Colombia, Costa Rica, Cuba, Dominican Republic, and Venezuela through the Caribbean Community (CARICOM).

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[10] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

Haiti is a beneficiary of the General System of Preferences. The Caribbean Basin Initiative (CBI) provides for duty-free access to the U.S. market for a range of Haiti's exports. Exports from Haiti also enjoy preferential access to the Canadian market through the Canadian Programs for Commonwealth Caribbean Trade, Investment and Industrial Cooperation (CARIBCAN). Through CARICOM, Haiti is currently negotiating a free trade agreement to replace CARIBCAN as well as a free trade agreement with MERCUSOR. Haiti is also a beneficiary under the 'Everything But Arms' Initiative.

4.2.2 Regional

Haiti is a member of CARICOM though it is currently suspended. It is negotiating an Economic Partnership Agreement with the EU through the CARIFORUM configuration. It is also involved in negotiations to form the hemispheric Free Trade Area of the Americas.

4.2.3 Multilateral

Haiti is a member of the WTO and grants most-favoured-nation (MFN) treatment to all its trade partners. It has GATS commitments in 16 sectors. [11]

4.3 Non-Tariff Barriers

The Haitian Government does not require any license for importing most goods with the exception of firearms, pharmaceutical products, petroleum products, as well as chicken and poultry products.

4.4 Import Documentation

Importers of pharmaceutical products must request an import permit from the Ministry of Commerce and Industry. In addition, all pharmaceutical products imported into Haiti are subject to sanitary registration, which is required by the Ministry of Public Health. To satisfy these sanitary registration requirements the Ministry of Health requires information regarding clinical studies, toxicology, and pharmaceutical certifications from the country of origin. The Ministry also requests three product samples for each drug to be imported.

Importers of chicken and poultry should specify the origin of the product in their request. [12]

4.5 Labelling and Marking Requirements

Specific marks or labels are not required except for food and pharmaceutical products. Labels on processed food products should indicate ingredients in order of predominance, name and address of manufacturer and expiration date of food. Labels on pharmaceutical products must indicate the weight or quantity of active ingredients and the lot control number. The date of expiration should also be included, as well as the

[11] http://www.thecommonwealth.org/Templates/HSInternal.asp?NodeID=148336

[12] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

generic name and the brand name of the pharmaceutical drug.

4.6 Prohibited and Restricted Imports

Import of weapons, waste, drugs, and agricultural products must have an authorization from the government. In November 2005, the Haitian government forbid the importation of chicken and poultry from areas where the avian influenza is present. The Ministry of Commerce and Industry has not updated its list of prohibited products since 1962. Prohibited items include: materials of a pornographic nature; military equipment such as tanks, armored vehicles and parts, warships and lifeboats; arms and ammunition not intended for government use; narcotics; and equipment to be used to manufacture or print counterfeit currency or securities. According to the 1962 law, it is also illegal to import used shoes and used clothing. However, the law is not normally enforced and used clothing importation is a major business in Haiti. These goods are usually cleared through customs as personal effects.

Imports of certain goods are subject to control for security and health reasons. Reasons for prohibition and/or restrictions include protecting Haiti's flora, fauna and livestock from dangerous diseases. The Ministry of Public Health and Population (MSPP), the Ministry of Agriculture, Natural Resources and Rural Development (MARNDR) and the Ministry of Environment (ME) are responsible for health and environmental controls.

Imports of ethyl alcohol, generic chemicals and pharmaceuticals require a prior authorization from the MSPP. Imports of agricultural inputs, cattle feed and animal products (processed or not) require the authorization of the MARNDR and the submission of a health certificate issued by the exporting country. Imported live animals, plants and seeds are subject to quarantine. An animal health certificate is required for imports of bovine animals and swine and it must indicate that the country of origin is free of foot-and mouth disease, contagious bovine pleuro pneumonia, rinderpest, vesicular stomatitis and lumpy skin disease. In the case of swine the certificate must also show that the animals come from countries free of vesicular exanthema, African swine fever, ordinary swine fever and swine encephalomyelitis. Haiti is not member of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), however, it voluntarily adheres to CITES directives.

Haiti has no quantitative restrictions on imports with the exception of the following goods: flour, sugar, peas, rice, maize, millet, pork offal and poultry cuts, which are subject to a non-automatic licensing system. [13]

4.7 Standards

A framework law on quality, intended to harmonize and update the current laws on quality control is being drafted. The technical services and government bodies involved in quality control will be reorganized, strengthened and/or made

[13] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

operational. The Government intends to build inspection capacity by establishing national testing and calibration laboratories and integrating them in the regional and international networks, and approving private or university laboratories at the local level. Inspection posts will also be set up at strategic points.

The national quality system will be guided and coordinated by three bodies:
The National Quality Council (CNQ), composed of representatives of both the public and private sectors, as well as civil society, will define national quality policy and be responsible for coordinating and follow-up. The CNQ will be assisted by a small executive structure supported by technical committees, including a technical committee on accreditation.

The Standards Centre (CNS), a joint autonomous body administered by a management committee, will be under the supervision of the CNQ and will deal with standardization aspects, training and information on quality. Its role will be to provide advice and promote quality among Haitian entrepreneurs.

The National Commission for Official Quality Control (CNCOQ) will be an inter-ministerial quality control commission responsible for coordinating Haiti's quality-related activities. It will be composed of government officials from each relevant ministry who are responsible for quality controls. [14]

[14] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

4.8 Product Certification

Haiti has no special legislation on standards, testing, approval and certification. International standards are used as a reference but have not been officially adopted. The main international standards used are those of the International Standards Organization (ISO), the World Health Organization (WHO) and the Food and Agriculture Organization (FAO) Codex Alimentarius for food products. With its accession to the Caribbean Community (CARICOM), Haiti has adopted the standards laid down by the Caribbean Organization of Standards and Quality (COSQ), which is the CARICOM body responsible for defining standards for goods and services at the regional level.

5. INVESTMENT PROFILE

5.1 Foreign Investment Regime

In November 2002, the Haitian Parliament passed an investment law prohibiting fiscal and legal discrimination against foreign investors. The 2002 law explicitly recognizes the crucial role of foreign direct investment in spurring economic growth and aims to facilitate, liberalize, and stimulate private investment in Haiti. Foreign investment protection is also provided by the Haitian Constitution of 1987, which permits expropriation of private property for public use or land reform with payment in advance. American firms enjoy free transfer of interest, dividends, profits, and other revenues stemming from their investments, and are guaranteed just compensation paid in advance of expropriation, as well as compensation in case of damages or losses caused by war, revolution, or insurrection. The U.S. and Haiti have a bilateral agreement on investment guarantees that permits the U.S. Overseas Private Investment Corporation to offer programs in Haiti. The two governments also signed a bilateral investment treaty in December 1983, but it was not ratified. [15]

5.2 Free Trade Zones

A law on free trade zones entered into force on August 2, 2002 and set out the conditions for operating, creating, and managing free trade zones, together with the exemption or incentive regime applicable to investment in such zones. The law defines free trade zones as geographical areas to which a special regime on customs duties and customs controls, taxation, immigration, capital investment, and foreign trade applies, where domestic and foreign investors can provide services, import, store, produce, export and re-export goods. Free trade zones may be private or joint ventures involving state or private investors.

A free trade zone was established in northern Haiti in 2002. Additionally, an agreement on the creation of another 40-hectare free trade zone in southern Haiti was signed in June 2003.

An inter-ministerial commission, called the Free Zones National Council (CNZF), comprised of representatives from both the public and private sector, is responsible for:

- Receiving applications for the approval as a free zone
- Approving applications for admission to the free zone regime and the relevant changes
- Ensuring that the projects approved are carried out in accordance with the terms
- Authorizing the operation of free zones
- Defining and regulation of free zones
- Approving and monitoring procedures and operation in free zones
- Approving its own rules and procedures

The Free Zones Directorate, set up within the Ministry of Commerce and Industry, acts as the CNZF's Technical

15 http://www.state.gov/r/pa/ei/bgn/1982.htm

Secretariat: it implements and ensures implementation of decisions taken by the CNZF; receives investors and potential investors; sends a quarterly report on the establishment and operation of free trade zones to the CNZF for approval; examines applications for approval of free trade zone; participates in all negotiations likely to lead to agreements or conventions on free trade zones at the national and international level; monitors the operation of all free trade zones in Haiti; and ensures regular monitoring of Haiti's free trade zones.

The law provides the following incentives for enterprises situated in free zones:

- Full exemption from income tax for a 15-year maximum period, to be followed by a period of partial exemption that will gradually decrease.
- Customs and fiscal exemption (including registration taxes) for the import of capital goods and equipment needed to develop the area, with the exclusion of tourism vehicles.
- Exemption from all communal taxes (with the exception of the fixed occupation tax) for a period not exceeding 15 years.
- Registration and transposition of the balance due for all deeds relating to purchase, mortgages and collateral.

Goods and services sold from free trade zones on the Haitian market are considered to have entered through Haitian customs and are subject to the relevant duties and taxes. Furthermore, the volume of free trade zone goods allowed for sale in Haiti markets may not exceed 30 percent of the total production of an enterprise in the free zone. [16]

[16] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

6. ESTABLISHMENT OF BUSINESSES

6.1 Right to Private Ownership

Property restrictions still exist for foreign individuals. Property rights of foreigners are limited to 1.29 hectares in urban areas and 6.45 hectares in rural areas. No foreigner may own more than one residence in the same district, or own property or buildings near the border. To own real estate, authorization from the Ministry of Justice is necessary.

Investors in Haiti can create the following types of businesses: sole proprietorship, limited or general partnership, joint-stock company, public company (corporation), subsidiary of a foreign company, and co- operative society. Corporations are the most commonly used form of business in Haiti.

Foreign investors are permitted to own 100 percent of a company or subsidiary. As a Haitian entity, such companies enjoy all rights and privileges provided under the law.

Foreign investors are permitted to operate businesses without equity-to-debt ratio requirements. Accounting law allows foreigners to capitalize using tangible and intangible assets in lieu of cash capital investments.

Foreigners are free to enter into joint ventures with Haitian citizens. The distribution of shares is a private matter between two partners; however, the sale and purchase of company shares is regulated.

Entrepreneurs are free to dispose of their properties and assets and to organize production and marketing activities in accordance with local laws. [17]

6.2 Establishing an Office

In August 2006, the Ministry of Commerce with support from USAID, opened the "Centre de Facilitation d'Investissement" (CFI), a "One-Stop" investment promotional office to encourage potential investors and streamline the bureaucratic process.

1. All companies incorporated in Haiti must have a minimum of three (3) shareholders; one of them must be a Haitian national and a board member.

2. Haitian legislation does not establish a minimum requirement in terms of capital stock ownership of shares by Haitian nationals.

3. The founding members of the corporation must establish nominal value for the capital stock of the new corporation which must be:
- A minimum of 25,000 GDS if the corporation is limited to commercial operations
- A minimum of 100,000 GDS if the corporation is involved in activities that could be defined as industrial.

Incorporation Procedures

Incorporation procedures in Haiti take a minimum of 6 weeks.

[17] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

To be incorporated the following steps should be followed:

1. Shareholders should prepare bylaws and subscription bulletins for the capital stock, all documents should be deposited in a Public Notary Office. One quarter of the minimal capital stock should be deposited at Banque Nationale de Credit (BNC).

2. Shareholders and Attorney should go to the Public Notary Office to sign an act of deposit of documents related to incorporation. If shareholders are absent, a power of attorney must be prepared and sent to whoever will represent the absent person before the Public Notary Office.

3. The Public Notary Office delivers all documents to the attorney who transmits them to the Ministry of Commerce and Industry.

4. The Minister of Commerce and Industry prepares a Notice authorizing the operations of the corporation.

5. The signed notice from the Minister of Commerce and Industry is sent to the Prime Minister's office for transmittal to the President of the Republic.

6. The Corporation documents are sent to the Official Newspaper "Le Moniteur" for publication, and publication fees are paid to the official newspaper.

7. The corporation representative proceeds to pay the corporate taxes in order to fulfill the final requirements with DGI (Haitian Tax collection service).

- Presentation of beginning balance sheet
- Tax payment on shares
- Income tax: basic payment for beginning of operation
- Tax payment for opening of new company
- Tax license [18]

6.3 Work Permit Requirements

Individuals wishing to practice a trade in Haiti must obtain an immigrant visa from a Haitian Consulate and, in most cases, a government work permit. Transient and resident traders must also have a professional ID card.

6.4 Intellectual Property Rights

Haitian Law protects copyrights, patent rights and inventions as well as industrial designs and models, special manufacturers' marks, trademarks, and business names. The law penalizes persons or enterprises involved in infringement, fraud or unfair competition. Haiti is a signatory to the Buenos Aires Convention of 1910, the Paris Convention of 1883 regarding patents and the Madrid Agreement regarding trademarks. The current draft trademark law demonstrates the Government of Haiti determination to revise its intellectual property legislation to bring it in line with its international commitments.

Haiti is a signatory to the Buenos Aires Convention of 1910, the Paris

[18] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

Convention of 1883 regarding patents, and to the Madrid Agreement regarding trademarks. Haiti has ratified the Berne Copyright Convention.

6.5 Conversion and Transfer Policies

There are no restrictions or controls on foreign payments or other fund transfer transactions, and little to indicate that this policy might change. All natural or legal persons have the right to dispose of their assets in the most appropriate way.

Foreign exchange is freely and readily available. The Haitian government does not impose any restriction on inflow or outflow of capital. Banks and currency exchange companies set their rates at the market clearing rate. In general, the spread between buying and selling rates is less than five percent. The central bank publishes a daily reference rate, which is a weighted average of exchange rates offered in the formal and informal exchange markets.

The exchange rate for the gourde is determined by the market and the government has opted for a floating exchange rate mechanism. During the first three month of fiscal year 2007, the average real exchange rate showed an appreciation of the gourde of about 13 percent compared to the trend in 2005. The current exchange rate is about 39.6 Gourdes per U.S. Dollar, after reaching an average of 43.4 in January 2006. Continued exchange rate stability in 2007 will depend on improvement in the security climate, sustained aid inflow from donors, and remittances from Haitians living abroad. [19]

[19] Doing Business in Haiti: Country Commercial Guide for U.S. Companies, 2005.

7. CULTURAL PRACTICES

7.1 Business Customs

Haitians are open to working with foreign investors. Most business people speak English fluently. Appointments with Haitian businessmen should be made in advance. Invitations to restaurants are appreciated and business is usually discussed in restaurants and hotels as much as in offices.

Business Hours: Government and commercial offices typically open between 8 to 9 a.m. and close between 3:30 to 5 p.m. Many retail businesses remain open during the early evening, providing services until 7 to 8 p.m.

7.2 Entry/Exit Requirements:

Visitors are required to have a valid passport. Visitors from the U.S., U.K. and its possessions, France and Germany may not require a visa depending on their length of stay and/or onward passage being assured. An airport tax of $30.00 (USD) plus $5.00 (USD) is required from foreigners leaving the country.