

AGREEMENT FOR THE SETTING UP OF A FREE TRADE ZONE

BETWEEN

THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN

AND

THE GOVERNMENT OF THE STATE OF UNITED ARAB EMIRATES

The Government of the Hashemite Kingdom of Jordan and the Government of United Arab Emirates, based on the ties of Arab fraternity which link their two people and the ancient relations between their two countries, and as each of them is desirous to develop and support the trade relations between both countries, and facilitate and enhance the exchange of trade between themselves for the purpose of serving the interests of the two brotherly peoples, and

As each of them believes in the significance of liberating the trade between themselves within the framework of the charter of the League of Arab States and of the provisions and principles of the Executive Program for the Large Arab Free Trade Zone called upon by the Arab Summit Conference held at Cairo I the year 1996, and approved by the Arab Economic and Social Council at its 59th session held on 19.03.1997, and

In execution of the provision of paragraph (9) of Article one of the Executive Program for the Large Arab Free Trade Zone, and as both of them are convinced that the agreement for the setting up of a free trade zone between themselves will provide a better climate for consolidating and developing the economic and commercial relations between both countries, have agreed as follows:

Article One: DEFINITIONS

For the purposes of this Agreement, the words and terms set forth underneath are intended to have the meanings stated opposite to them, unless the context indicates otherwise:

- 1- The Agreement: Agreement for the setting up of a free trade zone between the Hashemite Kingdom of Jordan and the State of United Arab Emirate.
- 2- The Contracting Parties: The Government of the Hashemite Kingdom of Jordan and the Government of the State of Arab United Emirates.
- 3- Custom duties and the other dues and taxes of similar effect: The duties imposed by the Party State under the customs tariffs on the imported commodities, as well as the other dues and taxes of similar effect imposed by it on imported

commodities, but to which the products of the Party State it self are not subject, whatever the designation of such dues or taxes may be.

This definition does not include levied against a specific service, such as demurrage, storing, transport, shipping or unloading.

- 4- Customs duties and other dues and taxes of similar effect are intended to mean those which are applied in both countries to commodities imported on 01.01.1998 within the coordinating system of custom tariff.
- 5- Non-Custom restraints: The existing measures or procedures or those which might be taken by the Party State for controlling import from the other Party. Such restraints include, in particular, import license and quantitative, monetary and administrative restraints by it on imports.
- 6- Commodities: These are the commodities of national origin, which realize additional value when their production is completed, of not less than 40%.

Article Two

Both Contracting Parties undertake to liberate the exchange of trade between themselves, in conformity with the provisions of this Agreement.

Article Three

This Agreement aims at the setting up of a free trade zone between both Contracting Parties, according to the following grounds:

- a- Customs duties and other dues and taxes of similar effect on the national commodities and products traded between the Contracting Parties, shall be reduced until full exemption is reached on 01.01.2003, according to the following schedule:

Years	Percentage of reduced Customs Duties and other dues and Taxes of similar effect
01.01.2001	50%
01.01.2002	80%
01.01.2003	100%

- b- Full and immediate cancellation of customs duties and other dues and taxes of similar effect on unprocessed agricultural and animal-based commodities, fishes and natural resources of national origin, which are traded between both Contracting Parties.
- c- Immediate cancellation of non-customs restraints between both Contracting Parties, if any, and non-imposition of any new restraints once the Agreement enters into force.

- d- It is stipulated for considering the commodities and products for the purposes of this Agreement to be a national origin, to comply with the rules of origin of Arab commodities approved by the Arab Economic and Social Council.
- e- After the entry of this Agreement into force, it will not be allowed to impose any new customs duties or other dues and taxes of similar effect on the commodities and products traded between both countries, in conformity with the provisions of this Agreement.
- f- When signing this Agreement, both Parties shall exchange the documents specifying the customs duties and the other dues and taxes of similar effect actually applied by them as of 01.01.1998.
- g- Where the customs duties of the Contracting Parties, the reduced duties shall replace the duties stated in paragraph (4) of Article one as a basis for calculating the gradual reduction towards the commodities of the other party.

Article Four

The provisions of this Agreement shall apply to the products of Jordanian or Emirate origin which are traded directly between both countries, and which are accompanied by a certificate of origin in accordance with the form of the certificate of origin for Arab commodities, as approved by the Arab Economic and Social Council, provided that it will be issued and attested by the competent government authority, i.e. the Ministry of Economy and Commerce of the United Arab Emirate, and will be issued by the Jordanian Chamber of Commerce and Chambers of Industry, and attested by the Ministry of Industry & Commerce, or by any other party authorized to this effect by the said Ministry I the Hashemite Kingdom of Jordan.

Article Five

- a- The provisions of this Agreement do not apply to the products or materials which are not allowed to be brought in, transacted or used in either country, for religious, hygienic, security or environmental reasons agreed upon within the framework of the Arab Economic and Social Council, in conformity with the laws and regulations in force in both countries.
- b- Both Parties shall apply the procedures and laws concerning agricultural and veterinarian quarantine on its (agricultural and animal based) commodities, in conformity with the laws, regulations and instructions applicable and valid in both countries, and each party shall undertake to notify the other Party of the laws and regulations in force in its country.
- c- Both Parties shall observe that the commodities and products of national origin, which are exported by either of them to the other Party are in conformity with the specifications and standards applicable in the country of the other Party. But, in case no local specification is applicable, the specifications and standards

applicable on the Arab or international level, and which are approved by both of them, shall be adopted, provided that both Parties will exchange the laws and regulations in force in their two countries, and will notify each other of any amendments made thereto.

Article Six

Both Parties shall facilitate the entry of the lorries (trucks) and goods of both countries, including those, which pass in transit towards a third party. Both Parties shall be committed to eliminate all obstacles and impediments facing the lorries of both Parties in the territory of the other party, and shall apply the principle of reciprocal treatment between them.

Article Seven

Payments and transactions pertaining to the import of commodities and services shall be settled in a transferable free currency at international market rates, and in accordance with the terms and conditions familiar in the international trade and the financial and banking traditions.

Article Eight

Either Party shall be entitled to apply protection procedures, in conformity with the provisions stipulated in the protection agreement appended to the agreement for the setting up of the World Trade Organization created by Uruguay session, only with respect to the products decided by either Party to have been imported into its territory in excessive quantities, whether abstractly or relatively in comparison with local production, where these cause or threaten to inflict great damages to local industry or agriculture which manufacture products similar or directly competitive to those imported from other party, in conformity with the laws and legislations in force in each country.

Article Nine

Where any Contracting Party faces a state of support or dumping in its imports from the other Party, it will be possible to take the appropriate procedures to face such cases, in conformity with the laws and legislations in force in both countries, provided that the other Party will be notified thereof, without contradicting the provisions of the agreement for support and compensatory charges and the agreement for dumping combating procedures, which are appended to the agreement for the setting up of World Trade Organization.

Article Ten

Both Parties shall provide adequate, effective and indiscriminately protection, and shall apply this with respect to intellectual, commercial and industrial ownership rights, including the registration of inventions (patents), trade marks and industrial designs, as well as the protection of literary and artistic works and programs, in conformity with the laws and regulations in force in their two countries and within the framework of the provisions and rules of the World Trade Organization Agreement.

Article Eleven

- a- For the purposes of following up the implementation of the provisions of this Agreement and handling the problems which may arise during the implementation, a joint trade committee shall be formed under the chairmanship of the two competent ministers of both Countries or their designees, and shall include in its membership representatives from the relevant Ministries and authorities of both Countries.
- b- Each Party shall be entitled to request the convening of the said committee, whenever necessary. The meeting, however, shall be held alternately in both Countries.
- c- The joint committee shall assume the following functions in particular:
 - 1- Follow up the implementation of both Parties obligations relating to the liberation of trade exchange between both countries from non-customs restraints and from customs duties and the other dues and taxes of similar effect, in accordance with the items of this Agreement.
 - 2- Study the requests provided by either Party proposing the expansion of the scopes of this Agreement.
 - 3- Study the procedures adopted by either Party in the application of protective measures, in accordance with Articles eight, nine and ten, for the purpose of lifting the application of such procedures, as soon as possible.
 - 4- Settle the disputes arising between both Contracting Parties over the interpretation or implementation of the provisions of this Agreement and the transactions performed within its framework.
- d- A technical committee at the level of experts from both countries shall emanate from the joint committee, and shall look into the subjects delegated to it by the joint committee.

Article Twelve

This Agreement shall enter into force one month after the date of exchange of the latter notification concerning the completion of the necessary legal procedures, in conformity with the legislations in force in both Contracting Countries.

Article Thirteen

This Agreement shall remain in force, unless either Contracting Party gives to the other Party six-month notice in writing, and through diplomatic channels, of its willingness to terminate it.

This Agreement was DONE in Arabic language at Amman on Sunday, 17/Safar/1421H,

corresponding to 21.05.2000G in two original copies.

For the Government of the For the Government of the Hashemite Kingdom
State of United Arab

Of Jordan

Emirates

Dr. Mohammad Al-Halayqa Fahim Bin Sultan Al-Qasimi

Minister of Industry & Commerce Minister of Economy & Commerce

Official Gazette

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Royal Decree was issued in approval of the Council of Ministers' Resolution No. (3972) dated 12.06.2000 providing for the approval of the following:

- 1- An Agreement for the setting up of a free trade zone between the Government of the Hashemite Kingdom of Jordan and the Government of the State of United Arab Emirate,
- 2- An Agreement for economic, commercial and technical cooperation between the Government of the Hashemite Kingdom of Jordan and the Government of the State of United Arab Emirate, with the text of both of them being as follows: