

REPORT
OF THE SECOND MEETING
OF THE SECOND ROUND OF
TRADE NEGOTIATIONS
FOR ESTABLISHING THE TRADE
PREFERENTIAL SYSTEM AMONG
THE OIC MEMBER STATES (TPS-OIC)

(Ankara, 27 - 30 March 2007)

COMCEC Coordination Office
State Planning Organization
Ankara, March 2007

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(Ankara, 27 - 30 March 2007)

Original: English

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SYSTEM AMONG THE OIC MEMBER STATES
(TPS-OIC)**

(Ankara, 27 - 30 March 2007)

1. The Second Meeting of the Second Round of Trade Negotiations was held in Ankara from March 27th to 30th 2007.
2. The Second Meeting of the Second Round of Trade Negotiations was inaugurated by H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey, and chaired by H.E. Ülker GÜZEL, Deputy Undersecretary of Foreign Trade of the Republic of Turkey.
3. Delegations of the following Member States of the Trade Negotiating Committee (TNC) attended the meeting:
 - People's Republic of Bangladesh
 - Republic of Cameroon
 - Arab Republic of Egypt
 - Republic of Guinea
 - Islamic Republic of Iran
 - Hashemite Kingdom of Jordan
 - The Great Socialist People's Libyan Arab Jamahiriya
 - Malaysia
 - Republic of Maldives
 - Islamic Republic of Pakistan
 - Syrian Arab Republic
 - Republic of Tunisia
 - Republic of Turkey
 - Republic of Uganda
 - The State of the United Arab Emirates

4. Representatives of the following OIC Member States that have not yet signed or ratified the Framework Agreement on TPS-OIC also attended the meeting as observers:

- Brunei Darussalam
- Republic of Iraq (Signatory)
- State of Kuwait (Signatory)
- State of Qatar (Signatory)
- Kingdom of Saudi Arabia (Signatory)
- Indonesia (Signatory)

5. Representatives of the General Secretariat of OIC and the following Organizations also attended the meeting:

- COMCEC Coordination Office (as a member of the TNC Secretariat)
- Islamic Centre for Development of Trade (ICDT) (as a member of the TNC Secretariat)
- Islamic Development Bank (IDB)
- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- Gulf Cooperation Council (GCC)

(Copy of the List of Participants is attached as Annex I.)

Opening Session

6. The Meeting was inaugurated by H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey.

7. The Message of H.E. Kürşad TÜZMEN, Minister of State in charge of Foreign Trade was read out by Mr. Attila KIZILARSLAN. In his message, H.E. Kürşad TÜZMEN, recalling the target date of 1 January 2009, underlined the importance of working vigorously to be able to implement the preferential tariff scheme within the prescribed time-frame. In this regard, H.E. TÜZMEN mentioned the aim of Turkey to increase the share of OIC Member States in its foreign trade from 16 % to 20 % in a couple of years. He stressed his hope that

the TNC will sustain negotiations on the rules of origin with a constructive approach and will complete the second round of negotiations with success.

(Copy of the text of the message of H.E. Kürşad TÜZMEN, is attached as Annex II.)

8. The message of H.E. Prof. Dr. Ekmeleddin İHSANOĞLU, Secretary General of OIC was read out by H.E. Ambassador Nabika DIALLO, Adviser to the Secretary General of the OIC. In his message, H.E. İHSANOĞLU stressed that the central feature in the development of intra-OIC cooperation is trade, as it strengthens relations among Member States and reinforces fraternity bonds in the Islamic Ummah. He urged Member States, which have not yet ratified PRETAS, to do so as soon as possible to enable the OIC to achieve its objective of increasing intra-OIC trade to 20 % by the end of the 10-Year Program of Action period set forth in the Makkah Declaration. In conclusion, H.E. İHSANOĞLU expressed his hope that Member States would reach satisfactory conclusions in this regard, and also expressed profound gratitude to the Government of the Republic of Turkey for hosting trade talks thanked COMCEC Coordination Office, the Islamic Development Bank and the Islamic Center for Development of Trade for their contribution to the success of the TNC meetings.

(Copy of the text of the message of H.E. Prof. Dr. Ekmeleddin İHSANOĞLU is attached as Annex III.)

9. In his inaugural statement, H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey stated that removal of barriers to trade among the economies of OIC member countries was an essential step if they were to have genuine cooperation. H.E. stressed the geo-economic unique position of the Muslim world through its landscape and its location on the most important strategic waterways. He pointed out that the OIC does not reflect its potential in terms of its geo-economic location and reserves of primary resources. He underlined that the trade preferential scheme aimed to be established by 2009 is really a pioneer step towards the realization of the aspirations of the OIC Member States. In his conclusion, he thanked the IDB for its close cooperation and support to the second round of trade negotiations.

(Copy of the text of the statement of H.E. Dr. Ahmet TIKTIK is attached as Annex IV.)

10. The meeting was then addressed by the heads of delegation of the State of Qatar, State of Kuwait, Malaysia, Republic of Cameroon, Kingdom of Saudi Arabia, Republic of Guinea, Islamic Republic of Pakistan and the Gulf Cooperation Council. The Representative of the State of Qatar informed the Committee that his government has ratified the Framework Agreement, and that it is in the process of submitting the instrument of ratification to the OIC General Secretariat. The heads of delegation, pointing out the importance of reaching successful results in the second round of the negotiations, expressed their gratitude to the Republic of Turkey for hosting it.

Working Session

11. H.E. Ülker GÜZEL, the Deputy Undersecretary of Foreign Trade of Turkey and the Chairman of the TNC made an opening statement. H.E. GÜZEL pointed out the importance of Rules of Origin to ensure the successful implementation of the trade preferential scheme. In addition, H.E. GÜZEL mentioned the difficulties, including tariff and non-tariff barriers, that the businessmen encounter in connection with their trade transactions. In this respect, she stressed the necessity of deciding on precautionary measures to be taken for trade facilitation. In conclusion, she expressed her belief that the necessary regulations for the realization of the target 1 January 2009 will be finalized.

(Copy of the text of the statement of H.E. Ülker GÜZEL is attached as Annex V.)

Adoption of the Agenda

12. The TNC adopted the agenda and the work program of the Meeting.

(Copy of the agenda is attached as Annex VI.)

Presentation by the Secretariat of the TNC

13. The TNC Secretariat made a presentation on the background and the issues to be discussed during the Second Round of Trade Negotiations. The Secretariat pointed out that there are two substantive issues on the agenda of the Second Round, namely Rules of Origin and Non-Tariff Barriers (NTBs). The Secretariat, referring to the Ministerial Declaration adopted at the First Meeting of the Second Round of Trade Negotiations, stated that the TNC will have to finalize its work on the two substantive agenda items within the prescribed 12-month time-frame, i.e. before November 2007, if the target date of January 2009 for the establishment of the TPS-OIC is to be adequately met.

Rules of Origin of the Preferential Tariff Scheme (PRETAS):

14. The Trade Negotiating Committee considered the Draft TPSOIC Rules of Origin and the country proposals submitted to the TNC Secretariat. The TNC, after deliberations, agreed to take the revised version of Draft TPSOIC Rules of Origin proposed by the Republic of Turkey as the baseline text.

15. The Committee agreed on the text of the Draft TPSOIC Rules of Origin, except for few articles, which are indicated within brackets (2, 4, 5, 6, 7, 12, 13 and new 32). Some of the articles were partially adopted (16, 17, 18, 19 and 25). The remaining articles were adopted by consensus.

16. Some countries have made observations concerning certain articles of the TPSOIC Rules of Origin: Egypt (2 new articles on principle of territoriality and the prohibition of drawback and exemption from Custom Duties supported by Syria and Tunisia), Malaysia (Article 30 on Free Zones), Turkey (Articles 4-d and 16-2) and Jordan (new article on contact point) among others.

17. The Committee decided that the Participating States submit the Draft TPSOIC Rules of Origin to their capitals for finalization of their positions on the articles on which there was no consensus. The Committee also decided not to reopen the articles that were adopted to further discussion in fixture meetings.

18. The Committee reiterated the mandate given by the Ministers of Commerce of the Member Countries of the TNC, who met in Istanbul on November 24th 2006, for finalizing the TPSOIC Rules of Origin before the 23rd COMCEC to be held in November 2007.

(Draft TPS-OIC Rules of Origin is annexed as Annex VII.)

Para-Tariff and Non-Tariff Measures in the Preferential Tariff Scheme (PRETAS)

19. The Committee observed that no participating state has submitted its view on Para-Tariff and Non-Tariff Measures since the first meeting of the Second Round on November 25-26, 2006.

20. The Committee agreed that the Member Countries shall submit the data on their Para-Tariff and Non-Tariff Measures to the TNC Secretariat before the next meeting of the TNC.

21. The Committee also took note of the presentation made by the Representative of Brunei Darussalam regarding the experience of ASEAN in eliminating the Para-Tariff and Non-Tariff Measures.

22. The Committee welcomed the proposal to hold an Expert Group Meeting on Para-Tariff and Non-Tariff Measures and entrusted ICDDT to organize it and to submit the outcome to the TNC.

Issues Related to Signing and Ratification of the PRETAS and TPS-OIC Rules of Origin

23. The Committee considered the status of signature and ratification of the TPSOIC Agreements namely: Framework Agreement and PRETAS. The Committee reiterated the need to expedite the signature and ratification of these Agreements in order to achieve the establishment of TPSOIC by the target date of January 1st, 2009.

Any Other Business

24. H.E. Ambassador Nabika DLALLO, the Advisor of H.E. Prof. Dr. Ekmeleddin İHSANOĞLU, the Secretary General of OIC informed the Meeting that the OIC General Secretariat is planning to organize, in collaboration with the COMCEC Coordination Office, ICDT and IDB, a synthesizing seminar for the benefit of the West African Economic and Monetary Union (WAEMU) staff in Ouagadougou in June 2007 with a view to encouraging its members to join the TPS-OIC as a group. The Committee appreciated the efforts made by the OIC General Secretariat in this regard.

Date and Venue of the Next Meeting of TNC

25. The TNC decided that the Secretariat will communicate with the TNC Members regarding the specific date and venue of the next meeting of the TNC.

Closing Session

26. The Committee adopted the Report of the Second Meeting of the Second Round of Trade Negotiations held by the TNC with its annexes.

27. The participating delegations wholeheartedly thanked the Government of the Republic of Turkey and the Secretariat of the TNC for the excellent arrangements made for this important meeting and the warm hospitality extended to them during their stay in Ankara.

ANNEX
1

Original: English

**LIST OF PARTICIPANTS
OF THE SECOND MEETING OF THE SECOND ROUND
OF TRADE NEGOTIATIONS (TPS-OIC)**

(Ankara, 27 - 30 March 2007)

A. MEMBER COUNTRIES OF TNC

PEOPLE'S REPUBLIC OF BANGLADESH

Mr. MUSTAFA MOHIUDDIN
Joint Secretary Ministry of Commerce

Dr. MUSTAFA ABID KHAN
Deputy Chief Bangladesh Tariff Commission

Mr. SUPRADIP CHAKMA
Minister and Head of Chancery,
Embassy of the People's Republic of Bangladesh

REPUBLIC OF CAMEROON

Mr. BOUBA AOUSSINE
Sub-Director of Trade and Exchange,
Ministry of Commerce

Mr. MOHAMADOU LAWAL
Head of Section Ministry of Economy and Finance

Mr. GEORGES MENDOUGA
Head of Section Ministry of Economy and Finance

Mr. ABANCHIME LIMANGANA
Head of Section Ministry of Foreign Affairs

Ms. MARTHE CHANTAL MBAJON
Senior Adviser Presidency of the Republic

Ms. HELENE MALATEN
Adviser Prime Minister's Office

ARAB REPUBLIC OF EGYPT

Mr. ABDELKADER YASSER
Minister Plenipotentiary Director of International Department,
Ministry of Foreign Affairs

Mr. EHAB MOHAMMED FATHI
Ministry of Trade and Industry,
Head of Section

Ms. WALAA ROSHDY
Ministry of Trade and Industry,
Head of Section

REPUBLIC OF GUINEA

Mr. ANSOUMANE BERETE
Head of Section Ministry of Trade

ISLAMIC REPUBLIC OF IRAN

Mr. ALI ZAHEDTALABAN
Sr. Expert of Iran Trade Representative Office

Mr. SAYED MAHDINASERI
Sr. Expert of Iran Trade Representative Office

HASHEMITE KINGDOM OF JORDAN

Mr. HASSAN AL OMARI
Head of Rules of Origin Division,
Ministry of Industry and Trade

Mr. BELAL ABDEL-KAREEM AHMAD HAZAIMEH
Trade Agreements Rules of Origin Section,
Jordan Customs

GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

Mr. SEDIGH M. SULIMAN
Counselor at the Embassy of Libya

MALAYSIA

Mr. MOHAMMED ZAKKARIYA BIN MULKIAMAN
Principal Assistant Director Sectoral Policy Division MITI

Mr. ABDUL AZIZ MOHAMAD SHARKAWI
Assistant Director Trade Services Division MITI

REPUBLIC OF MALDIVES

Mr. ABDULLA THAWFEEQ
Deputy Director International Trade Policy,
Ministry of Economic Development and Trade

Mr. MOHAMMED ANWAR
Assistant Director General,
Maldives Customs Service

ISLAMIC REPUBLIC OF PAKISTAN

Mr. JAMSHID KHAN
Joint Secretary (Foreign Trade III) Ministry of Commerce

Mr. WAHID KHURSHEED KUNWAR
Consul General Consulate General of Pakistan in Istanbul

SYRIAN ARAB REPUBLIC

Mr. MAHMOUD OBEID
Director of Facilitation and Efficiency of Trade,
Ministry of Economy and Trade

Ms. SHROQ HASSAN
Head of Public Sector Department Foreign Trade Directorate,
Ministry of Economy and Trade

REPUBLIC OF TUNISIA

H.E. Ambassador GHAZIJOMAA
Embassy of the Republic of Tunisia

Ms. LEJMI BECHIRA
Head of Section,
Ministry of Commerce and Handicrafts

Mr. DHOUAIFIMONGI DOUANES
Customs Colonel of Tunisia

Mr. EL OUAER JAMILA
Counselor Embassy of the Tunisian Republic

Mr. SALHIKHALED
Chief of Tunisian Commercial Office,
Embassy of the Tunisian Republic

REPUBLIC OF TURKEY

Dr. AHMET TIKTIK
Undersecretary of State Planning Organization

Mr. LÜTFİ ELVAN
Deputy Undersecretary of State Planning Organization

Ms. ÜLKER GÜZEL
Deputy Undersecretary,
Undersecretariat of Foreign Trade

Mr. ŞEVKET ILGAÇ
Acting Director General,
Undersecretariat of Foreign Trade

Ms. TULU GÜRAKAN
Deputy Director General of the EU,
Undersecretariat of Foreign Trade

Ms. HATUN DEMİRER
Head of Department Ministry of Foreign Affairs

Mr. ATILLA GÖKHAN KIZILARSLAN
Head of Department,
Undersecretariat of Foreign Trade

Mr. AHMET KARABAY
Head of Department,
Undersecretariat of Foreign Trade

Ms. SONGÜL UÇAR
Head of Section Undersecretariat of Customs

Ms. NEJLA TUĞRUL
Head of Section,
Undersecretariat of Foreign Trade

Mr. OGUZHAN BERBER
Senior Associate Undersecretariat of foreign Trade

Mr. ÖMER BEHİÇ ÖZCAN
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Mr. MEHMET AZGIN
Expert Undersecretariat of Foreign Trade

Ms. AYŞİN AYLAN ÖZGÜVEN
Expert Undersecretariat of Customs

Mr. BÜLENT ORHAN TÜREL
Expert Undersecretariat of Foreign Trade

Mr. CANER SANNAV
Assistant Expert Undersecretariat of Foreign Trade

Ms. TUBA HATIPOĞLU
Assistant Expert Undersecretariat of Foreign Trade

STATE OF UNITED ARAB EMIRATES

Mr. ALI FA YEL MUBARAK AL HUBAIS
Economy Expert Ministry of Economy

REPUBLIC OF UGANDA

Mr. EMMANUEL ORINZI
Head Africa and Middle East Department,
Ministry of Foreign Affairs

Mr. ALBERT MUGYENYI
Regional Policies Unit Bank of Uganda.

B. SIGNATORY COUNTRIES

REPUBLIC OF INDONESIA

Mr. BACHRUL CHAIRI
Secretary of Directorate General for International Trade Cooperation,
Ministry of Trade

Mr. RUDI SUPRIYONO
Senior Officer Directorate of Multilateral Cooperation,
Ministry of Trade

Ms. ANDANTE ARUNDHATI
Embassy of the Republic of Indonesia

REPUBLIC OF IRAQ

Mr. AHMED HASAN AL BAYATY
Commercial Counselor,
Embassy of the Republic of Iraq

Mr. TARIQ AL ADHAMI
Secretary,
Embassy of the Republic of Iraq

STATE OF KUWAIT

Mr. ISHAQ ABDULKERIM
Managing Director International Economic Cooperation Department,
Ministry of Finance

Mr. SAAD ALRASHEDI
Head of OIC Affairs Division,
Ministry of Finance

Ms. HANOF ALBADER
Economic Researcher Ministry of Finance

Mr. ABDULLAH ALADWANI
Ministry of Commerce and Industry

Mr. ABDULLAH ALMATIRI
Ministry of Commerce and Industry

Mr. TALAL ALHAZZA
Second Secretary Embassy of State of Kuwait

STATE OF QATAR

Mr. SUUD JASSEM AL-JUFAYRI
Director of Economic Affairs Department,
Ministry of Economy and Commerce

Mr. AHMAD SALEH AL-MUHAMMADI
Head of Arab and Islamic Economic Affairs,
Ministry of Economy and Commerce

KINGDOM OF SAUDI ARABIA

Mr. MUSSAID MOHAMMED AL ESHAIWI
Director General of International Organization Department,
Ministry of Commerce and Industry

Mr. NASSER BIN MOHAMMED AL MUTLAQ
Senior Specialist,
Ministry of Finance

Mr. HUSAYN BIN EID AL RASHEED
Economy Specialist Ministry of Commerce and Industry

Mr. HATİM IDRIS
First Secretary Embassy of the Kingdom of Saudi Arabia

C. OTHER COUNTRIES

BRUNEI DARUSSALAM

Mr. M. HAKAHAH HAJI ABDUL SAMAD
Second Secretary Department of Economic Cooperation,
Ministry of Foreign Affairs and Trade

D. THE OIC GENERAL SECRETARIAT

H.E. Ambassador NABIKA DIALLO
Adviser to H.E. the Secretary General on Economic Affairs

E. SUBSIDIARY ORGANS OF THE OIC

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

Mr. EL HASSANE HZAINÉ
Director Studies of Training Department

**THE STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING
CENTRE FOR ISLAMIC COUNTRIES (SESRTCIC)**

Dr. SAVAŞ ALPAY
Director General

Mr. NABIL DUBOUR
Director of Economic and Social Research Department

F. SPECIALIZED INSTITUTIONS OF THE OIC

THE ISLAMIC DEVELOPMENT BANK (IDB)

Mr. SALEH JELASSI
Cooperation Office

Mr. MUHAMMAD IQBAL AZAD
Trade Finance and Promotion Department

G. OTHER INTERNATIONAL INSTITUTIONS

GULF COOPERATION COUNCIL (GCC)

Mr. MUHAMMED BIN ALI ALRASHID
Head of International Organization and Regional Cooperation Administration

Mr. MUHAMMED AHMED AL HAYF
Assistant Director for Economic Affairs and Customs Administration

**H. COMCEC COORDINATION OFFICE & THE TRADE
NEGOTIATING COMMITTEE SECRETARIAT**

**General Directorate of Foreign Economic Relations,
State Planning Organization of the Republic of Turkey**

Mr. FERRUH TIĞLI
Director General,
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Ms. ŞERİFE MENGİ
Executive Secretary

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**DEPARTMENT OF ADMINISTRATIVE AND
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Coordinator for Transport Relations

Mr. NURETTİN AYDIN
Accommodation Relations

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Mr. TAYFUR YÜKSEL
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Mr. SEYİT AMBARKÜTÜK
Technician

ANNEX
2

Original: Turkish

**THE MESSAGE OF H.E. MINISTER OF STATE KÜRŞAD TÜZMEN
TO THE SECOND MEETING OF THE SECOND ROUND OF TRADE
PREFERENTIAL SYSTEM AMONG THE MEMBER STATES OF THE
ORGANIZATION OF ISLAMIC CONFERENCE TRADE
NEGOTIATIONS COMMITTEE**

(Ankara, 27 March 2007)

Honorable Chairman,
Distinguished Members of the Delegation,

I am greatly pleased at your second visit to Turkey on the occasion of Second Meeting of the Second Round of Trade Negotiating Committee, following the meeting we had in Istanbul four months ago, last year. I am sure that the negotiations that we start today will be productive and successful just as all the negotiations we held before, under the auspices of the Organization of Islamic Conference (OIC).

We have a very clear and evident objective aimed at the implementation of the Preferential Tariff Protocol, which we helped it arrive at this very advanced point as a result of the intensive studies we have been carrying out together. As you may remember, we have decided to activate the Preferential Tariff System as of January 1st, 2009 with the Declaration we signed in November after the negotiations. There may be some people who might think that this is quite a daring objective. But, on the contrary, I think that our objective is quite reasonable.

If we provide you with examples drawn from the developments of the foreign trade of Turkey, these objectives, seen as daring objectives, will indeed be viewed as very accomplishable. Public opinion found it hard to believe when we say that the foreign trade volume of Turkey will increase in a multi-folded way.

But we worked vigorously towards our objective and we doubled our exports which were put at 36 billion US dollars in 2002 to 73,4 billion US dollars in 2005, and at the end of 2006 we increased exports to 85,3 billion dollars. When it comes to our foreign trade volume, it increased from 87,6 billion dollars level in 2002, to a record breaking level of 222,6 billion dollars at the end of 2006.

We have developed our trade relations with the OIC member states within the same framework. We raised Turkey's export level to the OIC member states, which was 4,7 billion dollars in 2002 to the level of 15 billion dollars in 2006. Our foreign trade volume with the OIC member states was 15 billion dollars in 2003, increased more than a double in 2006 amounting to 36 billion dollars. We aim at increasing the share of the OIC member states which currently accounts for 16% of our foreign trade volume to the level of 20% in a couple of years.

I would like to draw your attention to a certain point here: it is only possible for the Islamic countries to have a considerable weight on the equilibrium of the world power balance by gaining power in commercial and economic fields. Our work within the framework of the OIC should be directed towards this objective. We have to take the necessary measures to further develop cooperation in the fields of commerce and economy, through this very organization that we have at hand.

In this difficult period that the Islamic world is going through, completing the projects that we have started will further strengthen solidarity among us. For this reason, I ask you to work vigorously and with sacrifice to be able to implement this Preferential Tariff System within the targeted time frame.

As we all know, the sound and effective implementation of the Preferential Tariff System is only possible through setting up firm rules of origin. Otherwise, the compromises that we will make to one another will be meaningless at all. With this awareness in mind, I believe wholeheartedly that you will sustain negotiations on the rules of origin with a constructive approach and that you will complete the second round of negotiations by the end of this year.

I find it useful to stress another issue. Turkey attaches great importance to the studies in the direction of the removal of non-tariff barriers as well as the

completion of rules of origin, as the proper operation of Preferential Tariff System as a whole also requires the removal of non-tariff barriers.

Within this framework, we, as Turkey, want a study to be initiated with your support for the identification and removal of non-tariff barriers.

You perfectly know that every step that we are going to take to facilitate trade among our countries will contribute to promotion of the welfare of our noble peoples who are suffering from poverty.

As I conclude my words, I wish that we will have a fruitful meeting and I extend my thanks to each one of you, especially the Trade Negotiating Committee Secretariat.

ANNEX
3

Original: English

**MESSAGE OF PROF. DR. EKMELEDDİN İHSANOĞLU,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE,
THE SECOND MEETING OF THE SECOND ROUND OF
THE TRADE NEGOTIATING COMMITTEE**

**ANKARA - REPUBLIC OF TURKEY
27-30 MARCH 2007**

*Bism Ulahi Arrahmani Arrahimi,
Au Nom de Dieu, le Tout Misericordieux, le Tres Misericordieux
In the Name of God, Most Compassionate, Most Merciful*

Excellency Dr. Ahmet Tıktık,
Undersecretary of State Planning Organization,

Distinguished Delegates,
Ladies and Gentlemen,

Assalamu Alaikum Warahmatullahi Wabarakatuh,

I wish to thank H.E. Mr. Kürşat Tüzmen, State Minister in Charge of Foreign Trade and the COMCEC Coordination Office for the kind invitation to address the Second Meeting of the Second Round of the Trade Negotiation Committee of the Protocol on the Preferential Tariffs Scheme (PRETAS) for the Framework Agreement on the Trade Preferential System of the Organization of the Islamic Conference (TPS-OIC).

The central feature in the development of intra-OIC cooperation is trade as it strengthens the relationships between Member States and reinforces the fraternity bounds in the Islamic Ummah.

As you know the Third Extraordinary Islamic Summit Conference, held in Makkah Al-Mukarramah, Kingdom of Saudi Arabia, in December 2005, adopted the OIC Ten Year Programme of Action and mandated the COMCEC to workout plans to increase the intra-OIC trade from the level of 14% in 2005, to 20% by 2015. The operationalization of PRETAS will facilitate the achievement of this objective and PRETAS will only enter into force when the instruments are signed and ratified by Ten OIC Member States.

As of today Ten OIC Member States signed PRETAS. However, only two, namely Malaysia and the Hashemite Kingdom of Jordan ratified these instruments. I therefore urge Member States which have not yet ratified PRETAS to do so as soon as possible to enable the OIC to achieve its objective set in the Makkah Declaration.

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

During the First Meeting of its Second Round held in Istanbul from 24-26 November 2006, the Trade Negotiations Committee (TNC) examined two key issues: (1) Rules of Origin; and (2) Para-Tariffs and Non-Tariff Measures to PRETAS. I am sure that this Second Meeting of the TNC will conclude successfully on these two items as well as other technical details which will emanate from the discussions.

I remain convinced that substantive progress will be achieved by the end of this Second Round of Negotiations in November 2007 to enable the PRETAS to enter into force by January 2009.

I would like to avail this opportunity to express my profound gratitude to the Republic of Turkey for hosting these trade talks. I would also like to thank the COMCEC Coordination Office, the Islamic Development Bank (IDB) and the Islamic Center for the Development of Trade (ICDT) for their supportive efforts, active participation and practical contributions to the success of these meetings.

In conclusion, let me wish all participants a very pleasant stay in Ankara and success in your proceedings.

Wassalamu Alaikum Warahmatullahi Wabarakatuh.

Thank you for your attention.

ANNEX
4

Original: English

**OPENING STATEMENT BY H.E. DR. AHMET TIKTIK
UNDERSECRETARY OF THE STATE
PLANNING ORGANIZATION
OF THE REPUBLIC OF TURKEY**

(Second Meeting of the Second Round of the TPS-OIC Trade Negotiations)

(Ankara, 27 March 2007)

Honorable Delegates,
Dear Brothers and Sisters,

It is a pleasure for me to welcome you all to the Second Session of the Second Round of Trade Negotiations for establishing the Trade Preferential System among the Member Countries of the OIC. I would like to extend my best wishes to all the delegations in their work towards finalizing the Second Round of the Trade Negotiations with success.

Distinguished Delegates,

The OIC community has been very much aware of the vital importance of trade in promoting economic cooperation as well as the welfare of the society for decades, initiating a series of projects in this regard. Today, we have come together to further develop one such project; namely, the project for establishing the Trade Preferential System among the member states of the OIC.

Removal of barriers to trade among our economies is an essential step if we are to have a genuine cooperation. Trade facilitation brings with it not only increased volumes of traded goods, but also opportunities for transfer of technology, foreign investment, enhanced economic and social relations and thereby more competitive, prosperous economies.

Our countries have been placed in a geo-economically highly unique position. The Muslim world has the historical Silk Road and the Spice Road passing through its landscape, and it is also located on the most strategic waterways such as the Bosphorus

and the Dardanelles Straits, the Suez Canal, the Hormuz Strait, and the Malacca Strait. Due to this unique location, Muslim merchants, either by land or sea, had been able to stretch out their commercial networks from Western Africa to the South China Sea. By extending extremely vibrant networks of commerce, and articulating via these networks the Islamic culture one of the earliest and long-lasting forms of globalization has been widely experienced across a massively diverse spectrum of societies and spaces.

In the contemporary form of globalization, commerce is again the driving force that facilitates many other facets of interaction, exchange and connectivity. While the Islamic world is not yet the dominant player in the latest era of globalization, its geo-economic location has gained even more importance with the addition of the world's largest reserves of primary resources.

Distinguished Delegates,

We need to build on our cooperation in economy and commerce within the OIC with this potential in place. Thus, we have to start by building infrastructures for economic cooperation whereby the Islamic world can both adapt itself to and benefit from thriving global transformations.

The essential infrastructure for achieving a dynamic and fruitful economic cooperation is to remove the barriers to the movement of goods, and possibly movement of capital, technology, persons and services among our countries.

Distinguished Delegates,

The historical reasoning I outlined above suggests that the Trade Preferential System we are aiming to establish by January 2009 is really a pioneer step towards the realization of the aspirations of the OIC community: Removal of barriers to trade, and thereby, establishing infrastructures for transforming our economies to better utilize our resources across the Islamic world, and to overcome the challenges posed by the predatory form of globalization in the contemporary world.

Distinguished Delegates,

The Trade Negotiating Committee has performed well during the first round and produced a trade agreement, the PRETAS. I am confident that the Committee will

successfully finalize the second round as well and prepare the ground for an effective and operational TPS-OIC by January 2009. Both goodwill and commitment of our brotherly countries, and the sensitivity and excellence shown by the Secretariat regarding organizational matters, will make this vision a reality.

Distinguished Delegates,

As you are all aware, the Ministers of Commerce of the member countries of the Trade Negotiating Committee adopted a Ministerial Declaration, last November in Istanbul. In this Declaration, the Ministers expressed their political will to establish and to make operational the TPS-OIC by January 1st, 2009. The Ministers also mandated the Trade Negotiating Committee to carry out all the necessary work, in accordance with the road-map outlined in the Declaration, and to finalize the preparations for the TPS-OIC by the 23rd COMCEC which will be held in November this year. The two main issues on the agenda, the rules of origin and the non-tariff barriers, should be discussed and finalized within this time-frame.

Thus, this Committee has indeed undertaken a responsibility that has a historic value. I have no doubt that die distinguished experts in this Committee share die values and vision of the OIC in this regard and have full potential to carry on with this responsibility.

Distinguished Delegates,

Turkey, having the permanent chairmanship of the COMCEC, is happy to host the Second Round of Trade Negotiations among the OIC member countries. Establishing a trade preferential system within the OIC community is an important COMCEC project, and we shall continue to support it to make it viable. I would like to thank the IDB for the close cooperation and support it has provided to trade promotion in the OIC fora in general, and the Second Round in particular. I would like to also thank the COMCEC Coordination Office and the ICDT for effectively contributing to the organization of the Second Round.

Let me also express my deepest thanks and appreciation for all the member countries of the Trade Negotiating Committee for dieir cooperation and hard work in bringing the trade negotiations to this stage. I am confident that we will complete the Second Round with success, and crown this very important effort of the OIC family

with a signing ceremony at the Second Meeting of the Ministers of Commerce of the Member Countries of the TNC, InshaAUah.

I wish you all a pleasant stay in Ankara.

Thank you.

ANNEX
5

Original: Turkish

**STATEMENT BY H.E. ÜLKER GÜZEL,
DEPUTY UNDERSECRETARY, UNDERSECRETARIAT
OF FOREIGN TRADE OF THE REPUBLIC OF TURKEY**

(Second Meeting of the Second Round of the TPS-OIC Trade Negotiations)

(Ankara, 27 March 2007)

Distinguished Members of Trade Negotiating Committee,

First, I would like to welcome you all to the Trade Negotiating Committee Second Meeting of the Second Round aimed at establishing a Trade Preferential System (TPS-OIC) among member countries. I believe that this meeting will be as successful as the Second round first meeting which was held in November 2006.

In every single meeting held, we are making progress in order to enhance trade and economic cooperation among our countries. Within this frame, primarily, we accomplished PRETAS successfully during Trade Negotiations Committee first round negotiations in 2005.

Following this, in the second round first meeting, held in Istanbul we took an important step towards shaping rules of origin which would support the implementation of the Trade Preferential System. The text which, was agreed upon in the previous meeting, will be further developed and finalized with your invaluable contribution in a very short time.

We are all aware of the fact that the text of rules of origin is of great importance to ensure the successful implementation of the system. For the endorsement of the compromises made among the countries, it is necessary to put in place a regulation for a sound proof of origin within the system.

Unless the proof of origin is done properly, our businessmen will not be able to benefit from highly distinctive customs tax rates.

For these reasons, we have to immediately give effect to a modern regulation on rules of origin so as to meet the needs of countries that has to be easily understood and implemented.

Distinguished Representatives,

Among the difficulties that our businessmen encounter in trade among each other are tariff and non-tariff barriers. In today's trade system, countries' protection is realized through certain practices which prevent access to the market rather than imposing high customs taxes.

The above mentioned practices provide for a wide spectrum of applications covering different areas such as standards, technical regulations, livestock, protection of vegetation, customs and transportation. These practices also have a negative impact on trade.

As most of you follow closely, the issue of non-tariff barriers constitutes an important component of multilateral trade negotiations held within the World Trade Organization.

In this respect, we have to determine the precautions to be taken for trade facilitation and focus carefully on the non-tariff barriers for an effective functioning.

In conclusion, I believe that we will be able to have Trade Preferential System fully operational by January 1, 2009 through our efforts for finalizing the regulation concerning the rules of origin and at the same time attaching importance to non-tariff barrier negotiations.

Distinguished Committee Members,

Unfortunately, most of the conflicts in our world are still holding in the lands of Islamic Countries. In these tough days, we need to strengthen cooperation

between the Islamic Countries and to this end, we have to raise the morale of our peoples to overcome these difficulties.

In this sense, I think that Trade Preferential System is a morale-oriented project materialized by Islamic Countries supporting each other. This project, will further cement our economies in time and this boom in our economic power will merit increased political power.

For this reason, as I have pointed out in the previous meeting, the signing and ratification by all member countries of both TPS-OIC and PRETAS should be completed immediately.

Distinguished Representatives,

You are well aware that economic integration requires long-term studies. When we skip through the historical development of such big integrated bodies, we see that they all began their journeys by establishing a trade preferential system.

As Islamic countries, thanks to this project we are laying down the foundations of our future economic integration. From now on every step we take and every success to be achieved in the future will bring us to a further level in the way of economic integration.

As I conclude with these thoughts in mind, I wish that this meeting concerning the trade Preferential System to be fruitful as it is the very foundation of fortifying the cooperation among OIC member countries and I thank you all for your contribution.

ANNEX
6

Original: English

**AGENDA
SECOND MEETING OF THE SECOND ROUND
OF TRADE NEGOTIATIONS
FOR ESTABLISHING THE TRADE PREFERENTIAL SYSTEM
AMONG THE OIC MEMBER COUNTRIES (TPS-OIC)**

(Ankara, 27-30 March 2007)

1. Opening Session
2. Adoption of the Agenda
3. Presentation by the Trade Negotiating Committee Secretariat
4. TPS-OIC Rules of Origin
5. Para-Tariff and Non-Tariff Measures in the Preferential Tariff Scheme (PRETAS)
6. Issues related to the signing and ratification of PRETAS and TPS-OIC Rules of Origin
7. Any Other Business
8. Date and Venue of the Next Meeting of the Trade Negotiating Committee
9. Closing Session
 - a) Adoption of the Report
 - b) Closing Remarks

ANNEX
7

ANNEX III

DRAFT TPS-OIC RULES OF ORIGIN

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**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Scope**

1. This Annex is called 'TPS-OIC rules of origin'
2. TPS-OIC rules of origin shall be applied for determining the origin of products eligible for preferential concessions under the Framework Agreement on Trade Preferential System Among the Member States of the Organisation of the Islamic Conference (Hereinafter referred to as Framework Agreement)

**Article 2
Definitions**

[For the purposes of this Annex:

- (a) "chapters" and "headings" means the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Annex as "the Harmonized System" or "HS";
- (b) "classified" refers to the classification of a product or material under a particular heading;
- (c) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (d) "customs value" means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on Customs Valuation);
- (e) "goods" means both materials and the products;
- (f) "manufacture" means any kind of working or processing including assembly or specific operations on both of industrial and agricultural products;
- (g) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (h) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (i) "territories" means territories of Participating States including territorial waters;

- (j) "value of materials" means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the non-originating materials in a Participating State;
- (k) "value of originating materials" means the value of such materials as defined in subparagraph (j) applied *mutatis mutandis*;
- (l) "value added" shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other Participating States or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in a Participating State;
- (m) "ex-works price" means the price paid for the product ex works to the manufacturer in the Participating State in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported. **J**

CHAPTER II ORIGINATING PRODUCTS

Article 3 General requirements

Products covered by preferential trading arrangements under the Framework Agreement imported into the territory of a Participating State from another Participating State which are consigned directly within the meaning of Article 13 hereof, shall be eligible for preferential concessions if they conform to the origin requirement under any one of the following conditions:

- (a) products wholly produced or obtained in the exporting Participating State as defined in Article 4 or
- (b) Products obtained in a Participating State incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in that Participating State within the meaning of Article 5.

Article 4 Wholly produced or obtained products

1. Within the meaning of Article 3(a), the following shall be considered as wholly produced or obtained in the exporting Participating State:

- (a) raw or mineral products extracted from its soil, its water or from its seabeds.
- (b) agricultural products harvested, picked or gathered there including forestry products;

- (c) live animals born and raised there;
- (d) [products obtained from live animals born and raised there.;]
- (e) products obtained by hunting, fishing or aquaculture activities conducted there;
- (f) [products of sea fishing and other marine products taken from the sea outside the territorial waters of the Participating States by their vessels;]
- (g) [products of sea fishing and other marine products taken by a Participating State by its vessel from the sea or seabed outside the territorial water of that Participating State provided that it has sole rights to work that sea or seabed.]
- (h) products processed and/or made on board its factory ships exclusively from products referred to in subparagraphs (e, f, g) above;
- (i) used articles collected there, fit only for the recovery of raw materials;
- (j) waste and scrap resulting from manufacturing operations conducted there;
- (k) goods produced there exclusively from the products referred to in paragraph (a) to (i) above.

[2. The terms 'their vessels' and 'their factory ships' in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in the Participating States or
- (b) which sail under the flag of the Participating States or
- (c) which are owned to an extent of at least 60 % by nationals of one Participating State, or 75 % by nationals of Participating States or by a company with its head office in one of these States, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are nationals of a Participating State and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the said States;]

Article 5

Sufficiently worked or processed products

1. For the purposes of Article 3 (b), non-originating materials which are used in the manufacture of the products obtained in a Participating State shall be regarded as sufficiently worked or processed provided that the value of such materials does not exceed [% 40 / 60 of the ex-works price / FOB] of the product.

2. In addition to the [% 40 / 60] mentioned in paragraph 1, least developed Participating States are allowed to use extra % 10 non originating materials in the manufacture of the export products until.....

Article 6 Cumulation in the Participating States

[Without prejudice to the provisions of Article 3, products shall be considered as originating in a Participating State if such products are obtained there, incorporating materials originating in the other Participating States, provided that the working or processing carried out in that Participating State goes beyond the operations referred to in Article 7.

Where the working or processing carried out in the Participating State does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in a Participating State only where the value added there is greater than the value of the materials used originating in any one of the other Participating States. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Participating State.

Products, originating in one of the Participating States, which do not undergo any working or processing in a Participating State, retain their origin if exported to one of the Participating States.]

Article 7 Insufficient working or processing

[1. The following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Articles 5 and 6 are satisfied:

- a) packing
- b) simple mixing
- c) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple-packaging operations
- d) labelling, affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- e) splitting into lots
- f) sorting or grading
- g) marking
- h) putting up into sets
- i) simple assembly

- j) preserving operations to ensure that the products remain in good condition during transport and storage
- k) breaking up and assembly of packages
- l) washing, cleaning; removal of dust, oxide, oil, paint or other coverings
- m) ironing or pressing of textiles
- n) simple painting and polishing operations, husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (o) operations to colour sugar or form sugar lumps;
- (p) peeling, stoning and shelling of fruits, nuts and vegetables;
- (q) sharpening, simple grinding or simple cutting;
- (r) sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles);
- (s) slaughter of animals.

2. All operations carried out either in a Participating State on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.]

Article 8 **Unit of qualification**

1. For the purposes of these Rules, goods, materials and products shall be classified in accordance with Harmonized Commodity Description and Coding System (HS).

- (a) if a product is composed of a group or assembly of articles but is classified in a single heading, it shall be regarded as a single item under the terms of the Harmonized System.
- (b) if a consignment consists of a number of identical products but is classified under the same heading of the Harmonized System, each product must be taken into account individually for classification purposes.

2. Where under General Rule 5 of the HS, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 9 **Accessories, spare parts and tools**

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question provided that;

- a) they are the part of the normal equipment and
- b) they are included in the price thereof or
- c) they are not separately invoiced.

Article 10
Sets

Sets, as defined in general rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating in accordance with the requirements in Article 5 or 6.

Article 11
Neutral elements

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- a) energy and fuel;
- b) plant and equipment;
- c) machines and tools;
- d) goods which do not enter and which are not intended to enter into the final composition of the product.

Article 12
Prohibition

[Any participating State may prohibit importation of products containing any inputs originating from States with which it does not want to have economic and commercial relations.]

[The Participating States may invoke their national legislation in terms of the importability of materials used in connection with goods produced or manufactured by any Participating State and exported under these rules.]

CHAPTER III
TERRITORIAL REQUIREMENTS

Article 13
Direct consignment

[The following shall be considered as directly consigned from the exporting Participating State to the importing Participating State:

- (a) If the products are transported without passing through the territory of any non-Participating State:
- (b) The products whose transport involves transit through one or more intermediate non-Participating States with or without transshipment or temporary storage in such countries, provided that:
 - (i) The transit entry is justified for geographical reasons or by considerations related exclusively to transport requirements;
 - (ii) The products have not entered into trade or consumption there; and
 - (iii) The products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition.
 - (iv) Appropriate certificate issued by customs authorities of the transit country is obtained as evidence of the conformity with the above clauses (ii) and (iii).]

Article 14
Exhibitions

1. Originating products, sent for exhibition outside the Participating States and sold after the exhibition for importation in a Participating State shall benefit on importation from the provisions of the Framework Agreement provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from a Participating State to the country in which the exhibition is held and has exhibited them there;
- (b) the products have been sold or otherwise disposed of by that exporter to a person in a Participating State;
- (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
- (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A TPS-OIC certificate of origin must be issued or made out in accordance with the provisions of Chapter IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

CHAPTER IV

TPS-OIC CERTIFICATE OF ORIGIN

Article 15

General requirements

Products originating in a Participating State shall, on importation into the other Participating State benefit from the Framework Agreement upon submission of a TPS-OIC certificate of origin, a specimen of which is annexed herewith.

Article 16

Procedure for the issue of a TPS-OIC certificate of origin

1. A TPS-OIC certificate of origin shall be issued by the Customs or the relevant competent authorities designated by the government of the exporting country, herein after referred to as issuing authority, on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.

2. For this purpose, the exporter or his authorized representative shall fill out both the TPS-OIC certificate of origin and the application forms, specimens of which are attached herewith. [The said forms shall be completed in one of the official languages of the OIC and in accordance with the provisions of the domestic law of the exporting country.] If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the Box.8 of the attached forms, which is reserved for this purpose without leaving any blank lines. Where the said box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issuance of a TPS-OIC certificate of origin shall be prepared to submit at any time, at the request of the Customs or the competent authorities of the exporting country where the TPS-OIC certificate of origin is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4. A TPS-OIC certificate of origin shall be issued by the Customs or the competent authorities of a Participating State if the products concerned can be considered as products originating in one of the Participating States and fulfil the other requirements of this Annex. The origin state of the goods shall be indicated in box 4 of the certificate.

5. The authorities issuing the TPS-OIC certificate of origin shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products in Box.8 has been completed in such a manner as to exclude all possibility of fraudulent additions.

6. A TPS-OIC certificate of origin shall be issued and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 17 **Certificates of origin issued retrospectively**

1. A TPS-OIC certificate of origin may exceptionally be issued after exportation but no longer than six months from the date of shipment of the products to which it relates if:

- (a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
- (b) it is demonstrated to the satisfaction of the Customs or the competent authorities that a TPS-OIC certificate of origin was issued but was not accepted at importation for technical reasons.

2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the TPS-OIC certificate of origin relates, and state the reasons for his request.

3. A TPS-OIC certificate of origin may be issued retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Certificates of origin issued retrospectively must be endorsed with one of the following versions of phrases:

"ISSUED RETROSPECTIVELY"

"Other versions" [(The versions of above mentioned phrase in one of the official languages of the OIC shall be applied.)]

5. The endorsement referred to in paragraph 4 shall be inserted in the Box.7 (Remarks) of the TPS-OIC certificate of origin.

Article 18
Issue of a duplicate TPS-OIC certificate of origin

1. In the event of theft, loss or destruction of a TPS-OIC certificate of origin, the exporter may apply to the Customs or the competent authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way must be endorsed with one of the following versions of words:

•*'DUPLICATE'*

"Other versions [(The versions of above mentioned phrase in one of the official languages of the OIC shall be applied.)]
3. The endorsement referred to in paragraph 2 shall be inserted in the Box.7 (Remarks) of the duplicate TPS-OIC certificate of origin.
4. The duplicate, which must bear the date of issue of the original TPS-OIC certificate of origin, shall take effect as from that date.

Article 19
Issue of certificates of origin on the basis of a TPS-OIC certificate of origin issued or made out previously

When originating products are placed under the control of a customs office in a Participating State, it shall be possible to replace the original TPS-OIC certificate of origin by one or more TPS-OIC certificates of origin for the purpose of sending all or some of these products elsewhere within that Participating State for the customs clearance of the products. In this case, the replacement TPSOIC certificate(s) of origin shall be issued by the customs or the competent authorities under whose control the products are placed.

[In case that all or part of the products originating in one the Participating States which are imported or placed into the Customs Warehouses under the control of a customs office in a Participating State are sent to another Participating State, a new TPSOIC certificate of origin must be issued by the customs or the competent authorities under whose control the products are placed. In this case, the origin state shall be indicated in box 4 of the TPSOIC certificate of origin.]

Article 20
Validity of TPS-OIC certificate of origin

1. A certificate of origin shall be valid for six months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.

2. Certificates of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances which are beyond the control of the exporter.

3. In other cases of belated presentation, the customs authorities of the importing country may accept the certificates of origin where the products have been submitted before the said final date.

Article 21

Submission of TPS-OIC certificate of origin

Certificates of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a TPS-OIC certificate of origin and may also require the relevant document to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the TPSOIC Framework Agreement.

Article 22

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of general rule 2(a) of the Harmonized System falling within Sections XVI and XVII or heading Nos. 7308 and 9406 of the Harmonized System are imported by instalments, a single TPS-OIC certificate of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 23

Supporting documents

The documents referred to in Article 16(3) used for the purpose of proving that products covered by a TPS-OIC certificate of origin can be considered as products originating in one of the Participating States and fulfil the other requirements of this Annex may consist *inter alia* of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in one of the Participating States where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in one of the Participating States, issued or made out in that Participating State, where these documents are used in accordance with domestic law,

- (d) TPS-OIC certificate of origin proving the originating status of materials used, issued or made out in a Participating State in accordance with this Annex.

Article 24

Preservation of TPS-OIC certificate of origin and supporting documents

1. The exporter applying for the issue of a TPS-OIC certificate of origin shall keep for at least three years the documents referred to in Article 16 (para 3).
2. The Customs or the competent authorities of the exporting country issuing a TPS-OIC certificate of origin shall keep for at least three years the application form referred to in Article 16 (para 2).
3. The customs authorities of the importing country shall keep for at least three years the TPS-OIC certificate of origin submitted to them.

Article 25

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the TPS-OIC certificate of origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not ipso facto render the TPS-OIC certificate of origin null and void if it is duly established by the customs authority of the importing country that this document does correspond to the products submitted.
2. Obvious formal errors such as typing errors on a TPS-OIC certificate of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.
3. [in case that products, which are not eligible for the preferential regime under the Framework Agreement, are listed in the TPSOIC Certificate of origin, it shall not affect or delay the products which fulfil the conditions of this Annex for granting preferential treatment and are listed in the same TPSOIC Certificate of origin.]

CHAPTER V

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 26

Mutual assistance

1. The Participating States shall provide each other with specimen impressions of stamps used in their Customs or the competent authorities for the issue of TPS-OIC certificate of origin and with the specimens of stamps and addresses of the customs authorities or competent authorities responsible for verifying those certificates.

2. In order to ensure the proper application of this Annex, the Participating States shall assist each other, through the competent customs administrations and competent and duly authorized bodies, in checking the authenticity of the certificates of origin and the correctness of the information given in these documents.

Article 27
Verification of certificates of origin

1. Subsequent verifications of the certificates of origin shall be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.

2. For the purposes of implementing the provisions of paragraph I, the customs authorities of the importing country shall return the TPS-OIC certificate of origin and the invoice or a copy of these documents, to the customs authorities or the competent authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the TPS-OIC certificate of origin is incorrect shall be forwarded in support of the request for verification.

3. The verification shall be carried out by the customs or the competent authorities of the exporting country. For this purpose, the customs or the competent authorities shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.

4. If the customs authorities of the importing country decided to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in one of the Participating States and fulfil the other requirements of this Annex.

Where the cumulation provisions in accordance with Article 6 of this Annex were applied and in connection with Article 16 (4), the reply shall include a copy (copies) of the certificate(s) relied upon.

6. If, in cases of reasonable doubt, there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

Article 28
Dispute settlement

- a) Any dispute that may arise among the Participating States regarding the implementation or interpretation of the provisions of this Annex, shall be settled amicably through consultations, as provided for in Article 15 of the Framework Agreement, between the Participating States party to the dispute. To this end, the Participating States shall appoint their national focal points.
- b) The dispute may be referred to the Trade Negotiating Committee by the relevant national focal point, if a solution is not reached through consultation. The Trade Negotiating Committee may establish a sub-committee, on ad-hoc basis, for this purpose in accordance with Article 22 of its Rules of Procedure.
- c) In all cases, the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

Article 29
Penalties

In accordance with national legislation, penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 30
Free zones

1. The Participating States shall take all necessary steps to ensure that products traded under cover of a TPS-OIC certificate of origin, which in the course of transport, use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.
2. By means of an exemption to the provisions contained in paragraph 1, when products originating in a Participating State are imported into a free zone under cover of a TPS-OIC certificate of origin and undergo treatment or processing, the authorities concerned shall issue a new TPS-OIC certificate of origin at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Annex.

CHAPTER VI
FINAL PROVISIONS

Article 31
Goods in transit and storage

Goods which conform to the provisions of Chapter II and which on the date of entry into force of the Framework Agreement are either being transported or are being held in a

Participating State in temporary storage, in bonded warehouses or in free zones, may be accepted as originating products subject to the submission, within four months from the date of entry into force of the Agreement, to the customs authorities of the importing country of TPS-OIC certificate of origin, drawn up retrospectively, and of any documents that provide supporting evidence of the conditions of transport.

Article 32
Amendments to the Protocol

[The Trade Negotiating Committee may decide to amend the provisions of this Protocol. Those provisions may be reviewed, as and when necessary, upon request of one third of the Contracting Parties and may be open to such modifications as may be agreed upon.]

Article 33
Appendix

Appendix to this Annex shall form an integral part thereof.

APPENDIX

**[SPECIMENS OF TPS-OIC CERTIFICATE OF ORIGIN AND
APPLICATION FOR A TPS-OIC CERTIFICATE OF ORIGIN**

Printing instructions

1. Each form shall measure 210 x 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m . It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
2. The Customs or the competent authorities of the Participating States may reserve the right to print the forms themselves or may have them printed by approved printers. In the latter case, each form must include a reference number bearing initials of name (e.g TR for Turkey) of Participating States to such approval. Each form must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

TPS-OIC CERTIFICATE OF ORIGIN

1. Exporter (Name, full address, country)

TPS-OIC Certificate of Origin No A 000.000-TR

See notes overleaf before completing this form.

2. TPS-OIC Certificate of Origin used in preferential trade between

3. Consignee (Name, full address, country) (Optional)

and

(Insert appropriate countries, groups of territories)

4. Participating State in which the products are considered as originating 5. Participating State or territory of destination

6. Transport details (Optional)

7. Remarks

8. Item number; Marks and numbers; Number and kind of packages (1); Description of goods

Gross mass (kg) or other measure (litres, m\ etc.)

10. Invoices (Optional)

II. ENDORSEMENT OF THE CUSTOMS OR THE COMPETENT AUTHORITIES-

Declaration certified

Export document (2)

Form.....No.....

Office of the Customs or the Competent Authority

Issuing Participating State, Stamp

Place and date

(Signature)

12. DECLARATION BY THE EXPORTER

I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.

Place and date

(Signature)



(1) If goods are not packed, indicate number of articles or state « in bulk » as appropriate (2).Complete only where the regulations of the exporting country or territory require.

<p>13. REQUEST FOR VERIFICATION, to</p>	<p>»4. RESULT OF VERIFICATION</p>
<p>Verification of the authenticity and accuracy of this certificate is requested.</p>	<p>Verification carried out shows that this certificate⁽¹⁾ was issued by the customs office indicated and that the information contained therein is accurate.</p> <p>does not meet the requirements as to authenticity and accuracy (see remarks appended).</p>
<p>(Place and date)</p> <p>Stamp</p>	<p>(Place and date)</p> <p>Stamp</p>
<p>(Signature)</p>	<p>(Signature)</p> <p>(1) Insert X in the appropriate box.</p>

NOTES

1. Certificate must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialed by the person who completed the certificate and endorsed by the Customs Administration or the competent authorities of the issuing Participating State.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient details to enable them to be identified.

APPLICATION FOR A TPS-OIC CERTIFICATE OF ORIGIN

1. Exporter (Name, full address, country)

TPS-OIC Certificate of Origin No A
000.000-
TR

Set notes overleaf before completing this form.

2. Application for a TPS-OIC Certificate of Origin to be used in preferential trade between

3. Consignee (Name, full address, country) (Optional)

and

(Insert appropriate participating state)

4. Participating State in which the products are considered as originating

5. Participating State or territory of destination

6. Transport details (Optional)

7. Remarks

s. item number; Marks and numbers; INumber and kind of packages''''
Description of goods

gross mass
(kg) or other
measure
(litres, m³,
etc.)

in. invoices
(Optional)

(I) If goods are not packed, indicate number of articles or state « in bulk » as appropriate

DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:

SUBMIT the following supporting documents (1):

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods carried out by the said authorities;

REQUEST the issue of the attached certificate for these goods.

(Place and date)

(Signature)

1 For example : import documents, movement certificates, invoices, manufacturer's declarations, etc., referring to the products used in manufacture or to the goods re-exported in the same state.]