

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

(Ankara, 19-22 June 2007)

COMCEC Coordination Office
State Planning Organization
Ankara, June 2007

ADDRESS:

**COMCEC COORDINATION OFFICE
State Planning Organization
Necatibey Cad. 108
Ankara-TURKEY**

**Phone : 90-312-294 5510
90-312-294 55 03
Fax : 90-312-294 55 77
Website : <http://www.dpt.gov.tr>
e-mail : meker@dpt.gov.tr
skoc@dpt.gov.tr
kakdogan@dpt.gov.tr**

TABLE OF CONTENTS

	<u>Page</u>
Report of the Third Meeting of the Second Round of Trade Negotiations on Establishing the Trade Preferential System Among the OIC Member States (TPS-OIC).....	7

ANNEXES

1. List of Participants of the Third Meeting of the Second Round of Trade Negotiations on Establishing the Trade Preferential System Among the OIC Member States (TPS-OIC).....	17
2. Message by H.E. Kürşad TÜZMEN, Minister of State of Turkey in Charge of Foreign Trade to the Third Meeting of the Trade Negotiating Committee.....	29
3. Opening Statement by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey.....	33
4. Message by H.E. Prof. Dr. Ekmeleddin İHSANOĞLU, Secretary General of the Organization of the Islamic Conference.	39
5. Statement by H.E. Ülker GÜZEL, Deputy Undersecretary, Undersecretariat of Foreign Trade of Republic of Turkey.	43
6. Agenda of the Third Meeting of the Second Round of Trade Negotiations for Establishing the Trade Preferential System Among the OIC Member States (TPS-OIC).....	47
7. Draft TPS-OIC Rules of Origin.....	51

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

(Ankara, 19 - 22 June 2007)

Original: English

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

(Ankara, 19 - 22 June 2007)

1. The Third Meeting of the Second Round of Trade Negotiations was held in Ankara from 19th to 22nd June 2007.

2. The Third 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
- Republic of Lebanon
- The Great Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Maldives
- Kingdom of Morocco
- Islamic Republic of Pakistan
- State of Qatar
- 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:

- People's Democratic Republic of Algeria
- Republic of Indonesia (Signatory)
- Republic of Iraq (Signatory)
- State of Kuwait (Signatory)
- Federal Republic of Nigeria (Signatory)
- Kingdom of Saudi Arabia (Signatory)
- Republic of the Sudan (Signatory)
- Republic of Yemen

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)

(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, emphasized the necessity of having the Protocol on Rules of Origin ready for signature in the 2nd Meeting of the Ministers of Commerce of the Member Countries of the TNC to be held in September 2007. H.E. TÜZMEN expressed that along with the fulfillment of the Rules of Origin Protocol, action on non-tariff barriers will also contribute substantially to the promotion of trade among OIC member states. In this regard, H.E. TÜZMEN invited the delegates to take up the issues on non-tariff barriers constructively and to support the Trade Negotiations Committee Secretariat with data provision. He stressed that the common objective should be the promotion of economic and trade relations among OIC member countries to higher levels, which can only be possible through establishing a common understanding. In conclusion, he reminded that the operationalization of the TPS-OIC depends on the ratification by the member countries, as soon as possible, of both the Framework Agreement and the PRETAS.

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

8. In his inaugural statement, H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey expressed his expectation that the draft text of rules of origin be finalized for signature in this third session. H.E. TIKTIK also urged that the TNC should expedite its work in order to meet the target date of 1 January 2009 for the establishment of TPS-OIC, which requires the entry into force of two agreements, namely PRETAS and the Rules of Origin, by approximately summer 2008. In this regard, he advised the House to finalize the rules of origin in this Session, and present it for signature to the Second Meeting of the Ministers of Commerce scheduled for September. Stressing the fact that the potential to be mobilized by TPS-OIC goes well beyond the current trade figures among OIC countries, he said that TPS-OIC will constitute the basis for a more dynamic and fruitful economic cooperation through which OIC community can deliberate on removing barriers not only to the movement of goods, but possibly to the movement of capital, technology, persons and services among the member countries.

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

9. 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, urged Member States, which have not yet ratified PRETAS, to do so as soon as possible, to help the OIC achieve its objectives of increasing intra-OIC trade to 20 % by the year 2015, thereby fostering sustainable development of Member States set forth in the Makkah Summit. H.E. İHSANOĞLU expressed his hope that the present meeting would finalize the documents on Rules of Origin and Tariff and Non-Tariff barriers to enable COMCEC to launch the Trade Preferential System among OIC Member States, according to schedule on 1 January 2009. In conclusion, H.E. İHSANOĞLU expressed his profound gratitude to the Government of the Republic of Turkey for hosting trade talks and thanked the 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 IV.)

10. The meeting was then addressed by the heads of delegation of Kuwait, Nigeria, Syria, Sudan, Morocco, Malaysia and Pakistan. The Representative of Kuwait informed the Committee that his government is at the final stage of ratification of the Framework Agreement, and Kuwait will have the ratification process finalized by the 4th Meeting of the second round. The heads of delegation, pointing out the importance of reaching successful results in the second round of 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 Chairman of the TNC made an opening statement. H.E. GÜZEL recalled that the TNC has already agreed on most of the articles of the Draft TPS-OIC Rules of Origin Protocol and expressed her belief that it will be easier to reach an agreement on the remaining articles. In this regard, she invited all delegations to be cooperative and flexible. H.E. GÜZEL pointed out that finalizing the Rules of Origin Protocol as soon as possible means focusing more on non-tariff barriers as

well and concluded that the establishment of a system to remove the barriers will provide substantial advantages to all member countries.

(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, 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 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. The Secretariat pointed out the necessity of finalizing ratification of the PRETAS and the Rules of Origin by mid-2008 to leave room for the member states to make their final adjustments. For this reason, the rules of origin should be opened for signature of the TNC member states at the 2nd Meeting of the Ministers of Commerce of the Member Countries, scheduled to be held in September 2007.

Rules of Origin of the Preferential Tariff Scheme (PRETAS)

14. The Trade Negotiating Committee considered the Draft TPS-OIC Rules of Origin. The TNC, after deliberations, adopted the text of the Draft TPS-OIC Rules of Origin, except for a few articles, and agreed to submit it for signature to the Second Meeting of the Ministers of Commerce, which will be held in September 2007, on the sidelines of the Fourth TNC Session.

15. Some countries have made observations concerning certain articles of the TPS-OIC Rules of Origin (Egypt has raised concerns regarding Article 17). The articles, indicated in parenthesis (Articles 2, 5, 12 and 33), will be finalized in the Fourth Session of the Committee, which will precede the Ministerial Meeting and the signing ceremony.

16. The Committee also decided not to reopen the articles that were adopted to further discussion in its fourth and last session of the Second Round to be held in September 2007.

17. The Committee asked the member countries to assign their delegations with full authorization to the fourth and last session of the TNC with a view to presenting the TPS-OIC Rules of Origin for signature of the Ministers.

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 finalization of the TPS-OIC Rules of Origin before the 23rd COMÇEC to be held in November 2007.

19. The Committee also welcomed the recommendation by the 34th Islamic Conference of Foreign Ministers (ICFM), held on 15-17 May in Islamabad, that the Second Meeting of the Ministers of Commerce of the Member States of the TNC be held in order to review the work of the TNC and to sign the outcome of the Second Round.

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

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

20. The Committee observed that no participating state has submitted its data on Para-Tariff and Non-Tariff Measures since the second meeting of the Second Round held on March 27-30, 2007.

21. The Committee members agreed that the data on their Para-Tariff and Non-Tariff Measures should be submitted to the TNC Secretariat before the next meeting of the TNC.

22. The Committee took note of the proposals made by Jordan and Turkey and the presentation made by the Representative of ICDT regarding the method of eliminating Para-Tariff and Non-Tariff Measures.

23. In his presentation, ICDT representative has pointed out that there are two substantive issues to be discussed with respect to NTBs, namely the establishment of a list of NTBs and the definition of a modality for their removal. As far as the list of NTBs is concerned, there are two options: the adoption of a list either on the basis of WTO classification or UNCTAD/TRAINS classification or a specific list based on a survey and on a mechanism of collection. Concerning the modality for the removal of NTBs, ICDT presented six options namely:

- a) dispute settlement mechanism;
- b) request/offer, bilateral, or plurilateral;
- c) vertical or sectoral approaches;
- d) horizontal or multilateral approaches,
- e) tariffication of NTBs.
- f) sui generis modality combining several options: Code of conduct.

Issues Related to Signing and Ratification of TPS-OIC Framework Agreement and PRETAS

24. The Committee considered the status of signature and ratification of the TPSOIC Agreements namely: Framework Agreement and PRETAS.

25. The Committee welcomed the State of Qatar as the new member of the TNC.

26. The Committee asked the OIC General Secretariat to circulate information to the Member States and the TNC Secretariat regarding new accessions to the Framework Agreement and the PRETAS.

27. The Committee reiterated the need to expedite the signature and ratification of these Agreements in order to establish TPS-OIC by the target date of January 1st, 2009.

Any Other Business

28. The Committee requested ICDT to organize, in cooperation with OIC General Secretariat, COMCEC Coordination Office and IDB, a seminar for the benefit of the West African Economic and Monetary Union (WAEMU) Member Countries with a view to encouraging their accession to the TPS-OIC as a group.

Date and Venue of the Next Meeting of TNC

29. The Secretariat informed the Committee that it is deliberating on the possibility of holding the Fourth TNC Session in the first half of September 2007 in Ankara. 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

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

31. 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 THIRD MEETING OF THE SECOND ROUND
OF TRADE NEGOTIATIONS (TPS-OIC)**

(Ankara, 19-22 June 2007)

A. MEMBER COUNTRIES OF TNC

PEOPLE'S REPUBLIC OF BANGLADESH

Mr. MD. ABDUL WAHAB MIAN
Joint Secretary (FTA),
Ministry of Commerce

Mr. MD. DEL WAR HOSSAIN
Senior Assistant Secretary,
Ministry of Commerce

REPUBLIC OF CAMEROON

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

Mr. ABANCHIME LIMANGANA
Head of Section,
Ministry of Foreign Affairs

Ms. HELENE MALATEN
Adviser, Prime Minister's Office

ARAB REPUBLIC OF EGYPT

Mr. YASSER ATEF
Ministry of Foreign Affairs

Mr. MOHAMED ALI ABDELGHAFAR
International Policies Researcher
Ministry of Trade and Industry

Mr. BASSIM TALAAT RASLAN
International Policies Researcher
Ministry of Trade and Industry

REPUBLIC OF GUINEA

Mr. ANSOUMANE BERETE
Head of Division of Commercial Policies and Accords,
Ministry of Commerce, Industry, Tourism and Handicrafts

Mr. SENY CAMARA
Head of Section, Directorate of Commerce and Concurrence,
Ministry of Trade

ISLAMIC REPUBLIC OF IRAN

- Mr. ALI ZAHEDTALABAN
Ministry of Commerce
- Mr. REZA BARATI
Ministry of Commerce
- Mr. ABBAS YAZDANI
Ministry of Foreign Affairs
- Mr. HAMID REZA ANOUSHEH
Iran Embassy, Ankara

HASHEMITE KINGDOM OF JORDAN

Mr. HASSAN AL-OMARI
Head of Rules of Origin Division,
Industrial Development Directorate,
Ministry of Industry and Trade

Mr. NIDAL AL-ABBADI
Economist,
Ministry of Industry and Trade

LEBANON

- Mr. WAJIB ABDEL SAMAD
Charge d'Affairs,
Embassy of Lebanon in Ankara

GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

- Mr. OMRAN AHMED EL-GHALI
Head of Section,
Ministry of Economy, Commerce and Investment

Mr. ISAM SALIM AL-MALLOUF
Ministry of Economy, Commerce and Investment

- Mr. MUSTAFA ARISH
Assistant General Director of Customs

MALAYSIA

Mr. MOHAMMED ZAKKARIYA BIN MUL KIAMAN
Principal Assistant Director, Ministry of International Trade and Industry

Mr. KAMAL FIKRI BAHARUDDIN
Assistant Director,
Ministry of International Trade and Industry

REPUBLIC OF MALDIVES

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

Mr. MOHAMED ANWAR
Assistant Director General,
Maldives Customs Service

Mr. ZEENAD ABDUL WAHID
Assistant Director, Ministry of Foreign Affairs

KINGDOM OF MOROCCO

Mr. ZAHREDDFNE BELBACHIR
Head of Arab and Islamic Economic Affairs,
Ministry of Foreign Trade
Mr. MOHAMED CHAKIB BENELMALIH

Economic Counselor with the Embassy of Morocco in Ankara

ISLAMIC REPUBLIC OF PAKISTAN

Mr. WAHID KHURSHEED KUNWAR
Consul General,
Consulate General of Pakistan in Turkey

STATE OF QATAR

Mr. SAOUD JASSIM AL-JUFAIRI
Director of Economic Affairs Department,
Ministry of Economy and Commerce

Mr. AHMED SALAH AL-MOHANNADI
Head of Arab and Islamic Economic Affairs,
Ministry of Economy and Commerce

SYRIAN ARAB REPUBLIC

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

Ms. SHROUQ HASAN
Deputy Director of Foreign Trade Directorate,
Ministry of Economy and Trade

REPUBLIC OF TUNISIA

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

Mr. DHOUAIFI MONGI
Customs Colonel of Tunisia

Mr. SALHI KHALED
Economic Counselor,
Tunisian Embassy

REPUBLIC OF TURKEY

Dr. AHMET TIKTIK
Undersecretary of State Planning Organization

Ms. ÜLKER GÜZEL
Deputy Undersecretary,
Undersecretariat of Foreign Trade

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

Mr. YÜKSEL AKÇA
Deputy Director General
Undersecretariat of Foreign Trade

Mr. ATTİLA GÖKHAN KIZI LARS LAN
Head of Department,
Undersecretariat of Foreign Trade

Mr. HASAN KÖSEOĞLU
Head of Department,
Directorate General for Europe Union and External Relations,
Undersecretariat of Customs

Mr. OĞUZHAN BERBER
Senior Associate,
Undersecretariat of Foreign Trade

Ms. AYŞİN AYLAN ÖZGÜVEN
Europe Union Expert,
Undersecretariat of Customs

Mr. TALİP ENGİN KAYA
Assistant Europe Union Expert,
Undersecretariat of Customs

Mr. CANER SANNAV
Assistant Expert, Undersecretariat of Foreign Trade

Mr. ERTUĞRUL DEMİRCİ
Assistant Expert, Undersecretariat of Foreign Trade

STATE OF UNITED ARAB EMIRATES

H.E. ALI FAEEL MÜBAREK
Economic Expert, Ministry of Economy

H.E. AHMED SAEED AL-DHAHERI
Administrative Director at Customs Affairs

REPUBLIC OF UGANDA

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

B. SIGNATORY COUNTRIES

REPUBLIC OF INDONESIA

Ms. ANDANTE WIDI ARUNDHATI
First Secretary,
Indonesian Embassy Ankara

REPUBLIC OF IRAQ

Mr. AHMED HASAN AL-BAYATY
Undersecretary of Commerce,
Embassy of Iraq in Ankara

STATE OF KUWAIT

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

Mr. TALA ALAHZAA
Charge d'Affairs,
Kuwait Embassy-Turkey

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

FEDERAL REPUBLIC OF NIGERIA

Mr. SALMON A.SHITTU
Minister Plenipotentiary,
Embassy of Nigeria Riyadh

Mr. A. G. MOHAMMED
Minister Plenipotentiary, Embassy of Nigeria in Riyadh

KINGDOM OF SAUDI ARABIA

Dr. HAMID BIN ABDULHAMID AL-AWFY
Deputy Minister for Internal Trade,
Ministry of Commerce

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

Mr. ABDULLAH BIN MOHAMMED AL-LAHEM
Economy Specialist at the Ministry of Finance

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

REPUBLIC OF SUDAN

Mr. ABDELGADER A. M. DAFFALLA
Counsellor, Sudan Embassy in Ankara

Mr. BASHIR ALTAHIR
Sudanese Customs

Ms. MANAL SIDDIG ABDELWAHAB
Ministry of Foreign Trade

Ms. AW ATIF ALI AHMED
Ministry of Finance

C. OTHER COUNTRIES

ALGERIA

Mr. BELAHDA ABDELHAMID
Sub-Director,
Ministry of Commerce

REPUBLIC OF YEMEN

Mr. IBRAHIM GHALEB AL-SHORIY
Minister Counselor, Embassy of Yemen in Ankara

D. THE OIC GENERAL SECRETARIAT

H.E. Ambassador, NABIKA DIALLO
Adviser to the Secretary General

Mr. ALBARAA TARABAZOUNI
Professional Officer in the Economic Department

E. SUBSIDIARY ORGANS OF THE OIC

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

Mr. NABIL DABOUR
Senior Researcher,
Department of Economic and Social Research

Mr. HAYTHAM ZEINELABDIN
Research Assistant,
Department of Economic and Social Research

ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

Mr. EL HASSANE HZAINÉ
Director Studies of Training Department

F. SPECIALIZED INSTITUTIONS OF THE OIC

THE ISLAMIC DEVELOPMENT BANK (IDB)

Mr. AHMED ABDULWASEI
Operation Officer, Cooperation Office

Mr. MAHMOUD YASSIN
Trade Finance and Promotion Department

**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,
Head of COMCEC Coordination Office

Ms. ŐERİFE MENĐİ
Executive Secretary

Mr. BAŐAK KAYIRAN
Expert, Press Relations

Mr. EBUBEKİR MEMİŐ
Expert, Coordinator for Organization

Mr. METİN EKER
Expert, Coordinator for Drafting

Mr. FATİH ÜNLÜ
Coordinator for Drafting

Mr. ORHAN ÖZTAŐKIN
Protocol Relations

Mr. GÖKTEN DAMAR
Expert, Drafting

Mr. ALP TOLGA ŐİMŐEK
Expert, Drafting

Mr. ALİ İŐLER
Assistant Expert, Drafting

Mr. SELŐUK KOŐ
Assistant Expert, Drafting

Mr. KAĐAN AKDOĐAN
Assistant Expert, Protocol Relations

MÜKERREM OZKILIŐ
Social Program

Ms. SEMA HİMA
Coordinator of Documentation

Ms. SEHER KURUGÜL
Assistant Coordinator of Documentation

Mr. KEMAL ARSLAN
Coordinator of Meeting Rooms

Ms. BİLGE GÜLLÜ
Coordinator of Registration Office

I. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS OF THE STATE PLANNING ORGANIZATION

- Mr. YAŞAR GÜLSOY
Head of Department,
Undersecretariat of State Planning Organization
- Mr. MEVLÜT YAŞAR
Coordinator for Transport Relations
- Mr. NURETTİN AYDIN
Accommodation Relations
- Mr. CAFER ERDOĞAN
Treasurer
- Mr. TAYFUR YÜKSEL
Protocol Relations
- Mr. SEYİT AMBARKÜTÜK
Technician

ANNEX
2

Original: Turkish

**MESSAGE BY
H.E. KÜRŞAD TÜZMEN, MINISTER OF STATE OF TURKEY
IN CHARGE OF FOREIGN TRADE,
TO THE THIRD MEETING OF
THE TRADE NEGOTIATION COMMITTEE**

(Ankara, 19 June 2007)

Honorable Chairman,
Distinguished Representatives,

First, I would like to express my gratitude to the Trade Negotiations Committee Secretariat that brought us together on the occasion of the Third Meeting of the Second Round of Trade Negotiations that we have started under the auspices of Organization of the Islamic Conference (OIC).

Every meeting that we held is an important step towards a preferential trade regulation targeted to be implemented on 1 January 2009. I believe that the negotiations conducted among the committees during this meeting will bring us closer to our target.

I note that the Rules of Origin Protocol was mostly finalized during the negotiations held last March. I would like you to conclude the rest of the work that you have interrupted for a short time and to have the Protocol ready for signing for the last meeting to be held in September.

Guided by the belief that you will also complete this part of the negotiations successfully, I will send Their Excellencies the Ministers a letter each to invite them to the Signing Ceremony in the Fourth Meeting in September.

Along with the fulfillment of the Rules of Origin Protocol, action on non-tariff barriers will contribute substantially to the promotion of trade among OIC member countries. Indeed, non-tariff barriers make sustainability and transparency of trade more complicated and incur extra costs for our businessmen who are working with very limited resources.

For this reason, I would like you to approach your work on non-tariff barriers constructively and I would especially like you to support the Trade Negotiations Committee Secretariat with data provision.

Distinguished Members,

Our common aim should be promoting economic and trade relations among OIC member countries to higher levels. Reaching these levels can only be possible through establishing a common understanding and closing ranks to overcome barriers by working out expedient and rational solutions.

We have a long way to go. We have to accelerate our steps along this path and reinstate Islamic countries in the best stead they deserve in the world that has now become a global village.

Aş a conclusion, I would like to remind you of an important issue. The operation of the Preferential Trade System depends on the ratification, as soon as possible, of both the Framework and Preferential Trade Agreements by the member countries. I have no doubt that you would do whatever necessary at your earliest convenience. I wish you success for your meeting and thank you for your self-sacrifice work in advance.

ANNEX

3

Original: English

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

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

(19 June 2007, Ankara)

Honorable Delegates,
Dear Brothers and Sisters,

It is a pleasure for me to welcome you all, for the second time this year, on the occasion of the Third 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,

Improving trade relations among our brotherly countries has been on the agenda of various OIC fora for decades. It has been a rightly chosen area of cooperation since it is not only very fundamental to start any economic interaction but also relatively less demanding to build multilateral cooperation.

The adoption at the Makkah Summit of a specific intra-OIC trade target clearly indicates the common interest recognized by the member states. Achieving the intra-OIC target level of 20 per cent, and beyond, is quite possible given the already existing potential among our brotherly countries. Yet we need to build mechanisms and institutions to make it a structural, long-lasting achievement. It is at this point that the importance of the Trade Preferential System, shortly the TPS-OIC, becomes very manifest. We want to make it a reality by January 2009, not only in words and texts, but in actual movement of goods.

Distinguished Delegates,

We are now more than halfway through the second round, which was launched last November in Istanbul. There has been significant progress on the main theme of this round, namely the new rules of origin of the TPS-OIC. This Committee has demonstrated outstanding performance in producing a draft agreement during the first two sessions, albeit certain concerns and observations of some of the member countries. In this third session, we expect differences to be bridged, and, having deliberated on this subject considerably, the draft text to be finalized for signature.

In fact, to meet the target date of January 1st, 2009, for the establishment of the TPS-OIC, as announced by the Ministers of Commerce, we need to expedite our work on the rules of origin and other remaining issues. Making the TPS-OIC operational by the target date requires the entry into force of two agreements, namely PRETAS and the Rules of Origin by approximately summer 2008. This is because additional time will be needed to finalize the preparations before the end of 2008, such as adjusting our customs procedures and exchanging concessions lists.

The fact that the PRETAS, which was adopted by COMCEC in November 2005, has been signed by only ten members and ratified by only two of them as of June 2007, indicate partly slow progress in ratification given the time-limit. This should also alert us regarding the Rules of Origin Agreement we are trying to finalize in this Round.

To expedite entry into force of both agreements, we, as the member countries of the Trade Negotiating Committee, should exert more effort to conclude ratification of the PRETAS on the one hand, and finalize our deliberations on the rules of origin with a sense of urgency on the other.

Indeed, the Ministerial Declaration which was adopted by the First Meeting of the Ministers of Commerce of the Member States of the TNC, requests the TNC to design its work programme in accordance with the objective of making the TPS-OIC operational by January 1st, 2009. The task entrusted to us by the Ministers of Commerce merits the need to observe the time-frame we are left with while carrying our work at the Committee efficiently.

My specific advice to the house is that we should finalize the rules of origin in this session, and present it to the Second Meeting of the Ministers of Commerce for signature in the last session, which is scheduled for September. Thereby we will save at

least four months, which is very valuable given the time-limit of summer 2008 I mentioned above.

Distinguished Delegates,

The Trade Preferential System we aim to establish constitutes a basic yet extremely fundamental commencement to building a solid infrastructure for enhanced economic and commercial cooperation whereby the Islamic world can better adapt to and benefit from thriving global transformations.

The potential we will be mobilizing by the TPS-OIC feature well beyond the current trade figures among our countries. Once in place, we can build on the TPS-OIC a more dynamic and fruitful economic cooperation through which we can deliberate on removing barriers not only to the movement of goods, but possibly movement of capital, technology, persons and services among our countries.

Distinguished Delegates,

Concluding my statement, I would like to express my thanks and appreciation for all the member countries of the Trade Negotiating Committee for their 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, Insha Allah.

I wish you all a pleasant stay in Ankara.

Thank you.

ANNEX

4

Original : English

**MESSAGE
OF HIS EXCELLENCY PROF. EKMELEDDİN İHSANOĞLU,
OIC SECRETARY GENERAL, TO THE THIRD MEETING OF
THE SECOND ROUND OF TRADE NEGOTIATIONS FOR THE
ESTABLISHMENT OF THE TRADE PREFERENTIAL SYSTEM AMONG
OIC MEMBER STATES**

(Ankara, 19 June 2007)

I am pleased to express my sincere thanks to the Government of the Republic of Turkey for hosting the third Meeting of the Second Round of Negotiations for the establishment of the Trade Preferential System among OIC Member States (TPS-OIC).

The Third Extraordinary Summit Conference held in Makkah Al-Mukarramah in December 2005 mandated COMCEC to adopt appropriate measures for increasing intra-OIC Trade from 14% in 2005 to 20% by the year 2015. We all know that increasing trade and investments between OIC Member States is of utmost importance as it will allow our countries to ensure their development and improve the living conditions of their populations.

The implementation of PRETAS will also pave the way for the realization of one of the most important objectives of the Ten-year Programme of Action adopted by the Makkah Summit; fostering sustainable development of Member States by increasing intra-OIC trade.

Therefore I appeal to those Member States which have not yet signed PRETAS to do so and to ratify it as soon as possible. I also call on all participating delegations and all relevant organs and institutions to support the OIC to put this agreement into effect.

We note with satisfaction the progress achieved during the first and second meetings of the Second Round of Trade Negotiations. I would like to commend the important step that you took at the first meeting namely the drafting of the

Rules of Origin should facilitate the implementation of the Trade Preferential System.

I would also like to invite your meeting to finalise as soon as possible the discussions on the tariff and non-tariff barriers which constitute some of the major difficulties encountered by businessmen in intra-trade among OIC Member states. As you are aware, non-tariff barriers present an important component of the multi-lateral trade.

I hope your meeting will finalize the documents on Rules of Origin and Tariff and Non-Tariff barriers to enable COMCEC to launch the Trade Preferential System among OIC Member States, according to schedule on 1st January 2009.

Before concluding, I wish to express my appreciation to COMCEC and Member States concerned as well as the COMCEC Coordination Office, the Islamic Development Bank and the Islamic Center for Development of Trade for their contribution to the Trade Negotiations Committee. I encourage them to continue their work with a view to achieving our noble goals without delay. I thank you all and wish you fruitful deliberations.

Wassalamu Alaykum Wa Rahmatullahi Wa Barakatuh.

ANNEX

5

Original: Turkish

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

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

(Ankara, 19 June 2007)

Distinguished Members of the Trade Negotiations Committee,

Welcome to the Third Meeting of the Second Round of Trade Preferential System among Organization of Islamic Conference Member Countries (TPS-OIC). I believe that this meeting will be as successful as the previous one.

In every single meeting, we are making tangible progress towards promoting cooperation among OIC member countries. As you all remember, we have successfully completed the Preferential Tariff Scheme Protocol (PRETAS) during the first round of negotiations of the Trade Negotiations Committee.

We took important steps towards formulating rules of origin which would support the implementation of the Trade Preferential System at the Second Meeting of the Second Round held in Ankara. We ratified unanimously 20 out of 33 articles cited in the TPS-OIC Rules of Origin Protocol. I believe that it will be easier to reach to an agreement on the remaining 13 articles, since 5 of which have already been partially ratified.

I think that each article of the Rules of Origin Protocol is equally important. However, we have emphasized disagreements on the 8 main articles of the Agreement between the committees in the previous meeting.

The articles cover the definitions, wholly produced and obtained products, sufficiently worked or processed products, accumulation of origin, insufficiently processed cases, prohibitions, direct-consignment cases and finally the amendment of the protocol, respectively.

As we all agreed at the end of last meeting, our committees have to clarify their positions as regards to these articles and should be willing to cooperate with other countries. In fact, it is not possible to go any further in the negotiations if the committees

continue to repeat their positions known by everyone and if they do insist on these positions. In this respect, I invite all the committees to be understanding, willing to cooperate and flexible.

Besides, I would like to stress that the articles that were endorsed in the previous meeting will not be open for discussion again in order to use our limited time effectively. I believe everybody will show necessary care and sensitivity in this concern.

Distinguished Representatives,

As it is already expressed in the message of our Honorable Minister, we are expected to finalize the Rules of Origin Protocol to have it ready for signature by the next meeting. For this reason, our aim must be to secure the attendance of our Honorable Ministers at the Final Meeting planned to be held in September and to also hold the Signing Ceremony of the Protocol during that meeting.

Finalizing the Rules of Origin Protocol as soon as possible means focusing more on non-tariff barriers as well. Establishing a system in order to resolve the barriers issue and to eliminate these barriers phase wise will provide substantial advantages to all member countries. As you all know, our businessmen expect us to take necessary precautions to enhance trade among member countries.

The fastest step needed to be taken in this respect, without any doubt, is the completion of the signing and ratification processes of both TPS-OIC and PRETAS by member countries. In this framework, I believe that we would make the best of the opportunities ahead and I wish Distinguished Members of the Committee success in negotiations. Thank you.

ANNEX

6

Original: English

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

(Ankara, 19-22 June 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 the 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

TABLE OF CONTENTS

CHAPTER I	GENERAL PROVISIONS
-Article 1	Scope
-Article 2	Definitions
CHAPTER II	ORIGINATING PRODUCTS
- Article 3	General requirements
- Article 4	Wholly produced or obtained products
- Article 5	Sufficiently worked or processed products
- Article 6	Cumulation in the Participating States
- Article 7	Insufficient working or processing
- Article 8	Unit of qualification
- Article 9	Accessories, spare parts and tools
-Article 10	Sets
- Article 11	Neutral elements
- Article 12	Prohibition
CHAPTER III	TERRITORIAL REQUIREMENTS
-Article 13	Direct consignment
-Article 14	Exhibitions
CHAPTER IV	TPS-OIC CERTIFICATE OF ORIGIN
-Article 15	General requirements
-Article 16	Procedure for the issue of a TPS-OIC certificate of origin
-Article 17	Certificates of origin issued retrospectively
-Article 18	Issue of a duplicate TPS-OIC certificate of origin
-Article 19	Issue of TPS-OIC certificate of origin on the basis of a TPS-OIC certificate of origin issued or made out previously
- Article 20	Validity of TPS-OIC certificate of origin
-Article 21	Submission of TPS-OIC certificate of origin
- Article 22	Importation by instalments
- Article 23	Supporting documents
- Article 24	Preservation of TPS-OIC certificate of origin and supporting documents
- Article 25	Discrepancies and formal errors
CHAPTER V	ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION
- Article 26	Mutual assistance
- Article 27	Verification of certificates of origin
- Article 28	Dispute settlement
- Article 29	Penalties
- Article 30	Free Zones

CHAPTER VI

- Article 31
- Article 32
- Article 33

FINAL PROVISIONS

Goods in transit and storage
Amendments to the Protocol
Appendix

APPENDIX:

TPS-OIC certificate of origin and application for a TPS-OIC certificate of origin

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) and the Protocol on Preferential Tariff Scheme (PRETAS).

Article 2
Definitions

For the purposes of this Annex:

- a) "chapters" and "headings" means the chapters and tariff 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 transaction value of imported goods, which is the price actually paid or payable for the goods when sold for export to the country of importation, including other leviable charges and adjustment. In cases where the Customs value cannot be determined on

the basis of transaction value, it will be determined using one of the following methods:

The transaction value of identical goods;

The transaction value of similar goods;

The deductive value method

The computed value method

The fall-back method

- 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.]

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 animals born and/or 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 processed and/or made on board its factory ships exclusively from products referred to in subparagraphs (e, f) above;
- h) used articles collected there, fit only for the recovery of raw materials;
- i) waste and scrap resulting from manufacturing operations conducted there;
- j) 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) 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 [% 60 of the ex-works price / FOB] of the product.

2. In addition to the [% 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 for 5 years after entry into force of this Protocol.

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 and

the aggregate content originating in the territory of the Participating State is not less than 40 % of its [ex-works/FOB value,]

the aggregate content originating in a least developed Participating State is not less than 30 % of its [ex-works/FOB value] for 5 years after entry into force of this Protocol.

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⁽¹⁾
- 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⁽²⁾
- 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;

1 *Simple mixing: does not include chemical reaction.*

2 *Simple assembly: describes activity which does not require the use of specially designed machines or apparatus or equipment and relevant training.*

- 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) evidence that the conditions set out in (ii) and (iii) above has been complied with, such as Bill of Lading or a single transport document covering the passage from the exporting country through the country of transit; or failing these, any substantiating documents.

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. 7 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. 3 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. 7 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.6 (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.6 (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 TPS-OIC 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 of 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 TPS-OIC 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. 3 of the TPS-OIC 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 TPS-OIC, are listed in the TPS-OIC 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 TPS-OIC 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 1, 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 draw? 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 provisions of this Protocol may be reviewed, as and when necessary, upon request of one third of the Participating States. The Trade Negotiating Committee may decide to amend the provisions of this Protocol.

Any amendment under this provision shall be adopted by two thirds of the Participating States, if a consensus is not achieved during the related Trade Negotiating Committee session.

[Article 33
Entry into force

- The Framework Agreement and the Protocol on Preferential Tariff Scheme (PRETAS) shall be a reference document in terms of issues not included in the Protocol of TPS-OIC Rules of Origin.

The Protocol shall enter into force on the thirtieth day of the date of receipt by the depository of instruments of ratification, acceptance or approval by at least 10 governments of the Participating States. Subsequent accession to this protocol by any Participating State shall be effective one month after the date on which it has deposited its instrument of ratification.

- The General Secretariat of the OIC shall be the depository of the Protocol. The General Secretariat shall notify all Participating or Contracting States that have signed the Protocol of the deposit of any instrument of ratification, acceptance, or approval, the entry into force of the Protocol, any other act or notification relating to the Protocol or to its validity.

This Protocol is done in the Arabic, English and French languages each text being equally authentic. In case of discrepancy in interpretation, the English version shall prevail.]

Article 34
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.

VERIFICATION REGARDING TPS-OIC CERTIFICATE OF ORIGIN ⁽¹⁾

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

(1) *Verification in accordance with Article 27 of TPS-OIC Rules of Origin.*

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)	See notes overleaf before completing this form.	
2. Consignee (Name, full address, country)	3. Participating State in which the products are considered as originating	
4. Participating State of destination		
5. Transport details	6. Remarks (*) LJ Cumulation applied with (name of the country/countries) D No cumulation applied. (* <i>Insert X in the appropriate box.</i>)	
7. Item number HS code six-digits description of goods; Marks and numbers; Number and kind of packages (1)	8. Gross weight (kg) or other measure (litres, m³, etc.)	9. Invoices number and date

(1) *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 for the issuance of the TPS-OIC certificate of origin in respect of these goods.

(Place and date)

(Signature)

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

