

# Making Cooperation Work

# CÔMCEC STRATEGY

# For Building an Interdependent Islamic World

# TPS-OIC: Current Status and the Way Forward



# 01 June 2021

## COMCEC COORDINATION OFFICE

# OUTLINE

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- 1. Historical Background**
- 2. Current Status of TPS-OIC**
- 3. Recent Developments**
- 4. The Way Forward**

# 1- Background Information

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- The idea for establishing a trade preferential System among the Member States dates back to **late 1980's**.
- The **most important project** of the COMCEC in the field of trade.
- Provides the necessary basis for the **advancement of intra-OIC trade** and **more ambitious trade arrangements**.
- Based on three agreements:
  - The Framework Agreement,
  - The Protocol on Preferential Tariff Scheme (PRETAS)
  - The Rules of Origin
- The negotiations were held under the **Trade Negotiating Committee (TNC)**, established and supervised by the COMCEC.
- TNC Secretariat: COMCEC Coordination Office and ICDT

# 1- Background Information

- **1988:** COMCEC adopted the basic principles (**Declaration of Intent**) that should guide the efforts for the establishment of a trade preferential system
- **1990:** **The Framework Agreement** was adopted by the COMCEC, and presented to the signature and ratification by the Member States.
- **2002:** The required number of 10 ratifying states for **the Framework Agreement to entry into force** was reached.
- **2004-2005:** First Round of Negotiations (Antalya round, 4 meetings) producing the **Preferential Tariffs Scheme (PRETAS)**
- **2006-2007:** Second Round of Trade negotiations (Ankara Round, 4 meetings) producing the **TPS-OIC Rules of Origin.**
- **2014:** **The required number of at least 10 member states that have both ratified all the three agreements and submitted their concessions lists was reached.**
- **2015-2020:** COMCEC took consecutive resolutions for the full operationalization of the System.

## 2- The Current Status of TPS-OIC

| RATIFICATION/ LIST OF CONCESSION TABLE (As of June 2021) |  |
|--|--|
| Ratifying Member States                                  | Member Countries which have submitted concessions list |
| Bahrain  | Bahrain  |
| Bangladesh   | Bangladesh   |
| Iran   | Iran   |
| Jordan   | Jordan   |
| Kuwait   | Kuwait   |
| Malaysia   | Malaysia   |
| Morocco  | Morocco  |
| Oman   | Oman   |
| Qatar  | Qatar  |
| Pakistan   | Pakistan   |
| S.Arabia   | S.Arabia   |
| Turkey   | Turkey   |
| UAE  | UAE  |
| Somalia  |  |
| Palestine  |  |
| Gambia   |  |
| 16   | 13   |

## 2- The Current Status of TPS-OIC

### The relevant decisions of the 36th COMCEC Ministerial Session

- **Called upon** the Member States which have not yet signed or ratified the TPS-OIC Agreements, to do so at their earliest convenience.
- **Welcomed** the submission of updated concession lists to the TNC Secretariat by Turkey, Malaysia, Bangladesh, Pakistan, Jordan, the Islamic Republic of Iran, Morocco and takes note with appreciation the information provided by the Saudi Arabia that the Gulf Cooperation Council will communicate it's most updated concession lists to the TNC Secretariat at the earliest convenience, on behalf of its six member countries namely; Bahrain, Saudi Arabia, United Arab Emirates, Kuwait, Qatar and Oman.
- **Mandated** the TNC to clarify the context and provide interpretation of point number 6 of TPS-OIC Framework Agreement especially the phrase "unless otherwise decided by the COMCEC" before the operationalization of TPS-OIC.

## 2- The Current Status of TPS-OIC

### The relevant decisions of the 36th COMCEC Ministerial Session

- **Requested** the concerned Member States to expedite their efforts for the submission of the concession lists to the TNC Secretariat in the standard format circulated.
- **Also requested** the participating Member States, who have not done so yet, to notify the TNC Secretariat of their relevant internal measures to be undertaken for the implementation of the TPS-OIC Rules of Origin at their earliest convenience.
- **Welcomed** the offer of the Republic of Turkey, as the chair of the 1st and 2nd round of the TNC, to convene a TNC Meeting in 2021 as soon as possible for discussing the issues pertaining the implementation of the System and setting a date for its effectuation.
- **Called upon** the concerned Participating States of the TPSOIC to actively attend this meeting.



## 2- The Current Status of TPS-OIC

## Concession Lists Sample Format

|    |  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
|----|--|-------------------------------|-----------------------------|---------------------------|----------------------------|-----------------------------|------------------|---|-----------------|-----------------|-----------------|--|--|--|--|--|--|--|--|--|
| 3  | SAMPLE TABLE FOR THE CONVERSION OF 2003 TARIFFS TO THE CURRENT APPLIED TARIFF CODES  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 4  |  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 5  | No   | HS CODE<br>(8 digits)<br>2003 | Product Description<br>2003 | MFN Rat<br>(October 2003) | HS CODE<br>(8 digits) 2015 | Product Description<br>2015 | MFN Rate (2015 ) | Proposed Specific Annual Installement (%) |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 6  |  |                               |                             |                           |                            |                             |                  | 1st installment                           | 2nd installment | 3rd installment | 4th installment |  |  |  |  |  |  |  |  |  |
| 7  | 1  | 0000.00.00                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 8  | 2  | 0000.00.00                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 9  | 3  | 0000.00.02                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 10 | 4  | 0000.00.03                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 11 | 5  | 0000.00.04                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 12 | 6  | 0000.00.05                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 13 | 7  | 0000.00.06                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 14 | 8  | 0000.00.07                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 15 | 9  | 0000.00.08                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 16 | 10   | 0000.00.09                    |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 17 | ..   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 18 | ..   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 19 | ..   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 20 | ..   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 21 | ..   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 22 | ..   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 23 |  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 24 |  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 25 | EXPLANATORY NOTE ON THE SAMPLE TABLE FOR CONVERSION OF CONCESSION LISTS  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 26 |  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 27 | Column B refers to 2003-based 8 digit HS Codes that was submitted in the original list   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 28 | Column C refers to 2003-based product description that was submitted in the original list  |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 29 | Column D refers to 2003-based MFN rate, in accordance with the Article 2/2 of the PRETAS: "The base rate of the tariffs to be used for reduction shall be the MFN applied rate applicable on October 1st, 200. |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 30 | Column E refers to conversion of 2003-based HS Codes to 2015-based or applied 8-digit HS Codes   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 31 | Column F refers to conversion of 2003-based product description to 2015-based or applied product description   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 32 | Column G refers to conversion of 2003 based MFN rate to 2015-based or applied MFN rate   |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |
| 33 | Columns H, I, J, and K refer to 4 annual installments for tariff reductions. In accordance with the relevant provision of the PRETAS, LDCs will make reductions in 6 installments                              |                               |                             |                           |                            |                             |                  |   |                 |                 |                 |  |  |  |  |  |  |  |  |  |



# 3- The Recent Developments

## 1. TPS-OIC Virtual Consultative Meeting (27 October 2020)

- Consideration of the implementation of TPS-OIC
  - Submission of concession lists based on the Sample Format
  - Internal procedures for the implementation of the System
- Discussion on a Future Road Map

## 2. TPS-OIC Virtual Training Meeting (12 April 2021)

Presentation by the Ministry of Trade of the Republic of Turkey

- Technical aspects of the Agreements
- How to fill-out the sample format of concession lists

## 4- The Way Forward

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- Submission of the updated concessions lists in accordance with the Sample Format
- Completing the necessary internal procedures for incorporating the concessions into the national system
- Designating the competent authority for issuing the TPS-OIC Certificate of Origin
- Providing the TNC Secretariat with a sample of certificate of origin as well as with specimen impression of stamps of the competent authority
- Publishing guidelines and organizing training seminars for the relevant stakeholders
- **Making the System operational soon.**



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**THANK YOU**