



Agenda N°4

**THE TRADE PREFERENTIAL SYSTEM
AMONG THE MEMBER STATES OF THE
ORGANISATION OF ISLAMIC COOPERATION(TPS/OIC)**

SUBMITTED BY

**THE ISLAMIC CENTRE FOR DEVELOPMENT
OF TRADE**

TO

**THE 42nd SESSION OF THE FOLLOW UP COMMITTEE OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL CO-OPERATION OF THE OIC
(COMCEC)**



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I. Introduction

The idea of establishing a Trade Preferential System specific to O.I.C Member States is based on the recommendations of the General Agreement on Economic and Technical Cooperation between the OIC Member States and more precisely of the MECCA Declaration and the Plan of Action to strengthen economic and commercial cooperation among the OIC Member States set up by the 3rd OIC Summit Conference in 1981.

In fact, paragraph II item 7 of the Plan of Action recommended:

"To make an inventory of the existing preferential schemes applied by groups of Member States with a view to strengthening and linking them in order to establish a system of trade preferences through a step-by-step approach by all interested Member States.

It should be based on the principles of mutuality of advantages yielding benefits to all participants and considering the respective levels of economic and industrial development, trade regimes and international obligations of individual Member States with the ultimate aim of establishing a free trade area...".

In implementation of these relevant resolutions of the third and the fourth summit of the OIC, which included trade among the priority sectors, the Standing Committee for Economic and Commercial Cooperation (COMCEC) and ICDT have strived jointly since 1984 for the working out of a draft Framework Agreement on TPS/OIC.

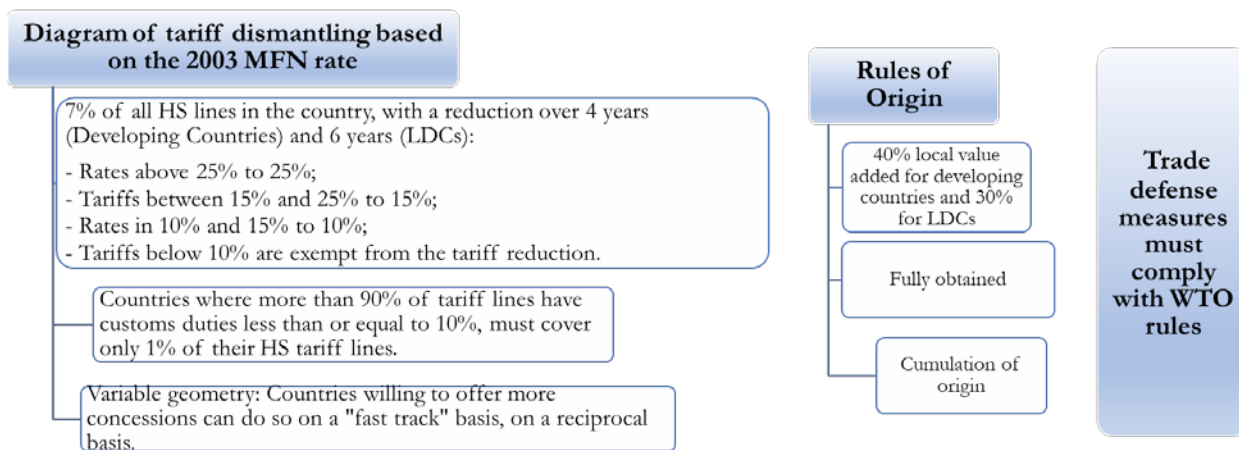
In fact, since the holding of its first session in 1984 in Istanbul, the COMCEC recommended the setting of a working group to define the principles and rules that are to rule negotiations; this group held its first session in Izmir (Türkiye) and was followed by the presentation by ICDT of the first version of TPS/OIC.

In order to solemnly corroborate the necessity of setting up a trade preferential system specific to the OIC Member States, the COMCEC adopted at its fourth session held in Istanbul in September 1988, a declaration of intent on the establishment of Trade Preferential System among the OIC Member States specifying the basic principles and the orientations to be followed for the setting up of such a system.

During this period of time, ICDT finalised the draft agreement, in consultation with the GATT and the UNCTAD and submitted it to experts for appreciation, who met twice, in December 1989 in (Türkiye) and in 1990 in (Casablanca) to put the finishing touches to the draft agreement.

Six years after its inclusion in the agenda items of the COMCEC's meetings, the Framework Agreement on TPS/OIC was endorsed by the sixth session of the COMCEC, which submitted it to the OIC General Secretariat for signature and ratification. Legally, TPS/OIC came into force in October 2003.

The tariff preferences of the TPS-OIC are summarized in the diagram below:



II. Entry into Force of the Agreement

The TPS/OIC agreement was deposited in 1990 in the OIC General Secretariat for signature and ratification, in compliance with article 18, it will enter into force three months after ten Member States have deposited their instruments of ratification.

In November 2017, forty Two Member States have signed the framework Agreement TPS/OIC: Kingdom of Bahrain, People’s Republic of Bangladesh, Republic of Benin, Brunei Darussalam, Burkina Faso, Republic of Cameroon, Republic of Chad, Union of the Comoros, Republic of Côte d’Ivoire, Republic of Djibouti, Arab Republic of Egypt, Republic of Gabon, Republic of The Gambia, Republic of Guinea, Republic of Guinea Bissau, Republic of Indonesia, Islamic Republic of Iran, Republic of Iraq, Hashemite Kingdom of Jordan, State of Kuwait, Republic of Lebanon, Libya, Malaysia, Republic of Maldives, Islamic Republic of Mauritania, Kingdom of Morocco, Republic of Niger, Federal Republic of Nigeria, Sultanate of Oman, Islamic Republic of Pakistan, State of Palestine, State of Qatar, Kingdom of Saudi Arabia, Republic of Senegal, Republic of Sierra Leone, Republic of Somalia, Republic of Sudan, Syrian Arab Republic, Republic of Tunisia, Republic of Türkiye, Republic of Uganda and State of United Arab Emirates.

Thirty Two Member States have ratified it: Kingdom of Saudi Arabia, Kingdom of Bahrain, People's Republic of Bangladesh, Sultanate of Brunei Darussalam, Cameroon, Republic of Djibouti, Arab Republic of Egypt, State of the United Arab Emirates, Republic of Gabon, Republic of the Gambia, Republic of Guinea, Republic of Indonesia, Republic of Iraq, Islamic Republic of Iran, Hashemite Kingdom of Jordan, Kuwait, Republic of Lebanon, Libya, Malaysia, Maldives, Morocco, Islamic Republic of Mauritania, Oman, Republic of Uganda, Islamic Republic of Pakistan, State of Palestine, State of Qatar, Republic of Senegal, Republic of Somalia, Syrian Arab Republic, Republic of Tunisia and the Republic of Türkiye.

The legal quorum (10 states) required for the entry into force of the Framework Agreement on Trade Preferences among Islamic Countries has therefore been exceeded recently, following the ratification of the Republic of Cameroon in September 2002.

19 Member States of the OIC have ratified the Protocol on Preferential Tariff Scheme for TPS-OIC (PRETAS), these are: Kingdom of Saudi Arabia, Kingdom of Bahrain, People's Republic of Bangladesh, Republic of Cameroon, State of the United Arab Emirates, Republic of The Gambia, State of Kuwait, the Hashemite Kingdom of Jordan, Islamic

Republic of Iran, Malaysia, Kingdom of Morocco, Islamic Republic of Mauritania, Sultanate Oman, State of Palestine, Islamic Republic of Pakistan, State of Qatar, Republic of Somalia, Syrian Arab Republic and the Republic of Türkiye. The PRETAS became effective on February 5th 2010.

32 countries have signed the Rules of Origin of the TPS/OIC, namely Saudi Arabia, Bahrain, Bangladesh, Benin, Burkina Faso, Cameroon, Comoros, Côte d'Ivoire, Djibouti, United Arab Emirates, The Gambia, Guinea, Guinea Bissau, Indonesia, Iran, Jordan, Kuwait, Malaysia, Morocco, Mauritania, Niger, Nigeria, Oman, Pakistan, Palestine, Qatar, Sierra Leone, Somalia, Sudan, Syria, Tunisia and Türkiye. In addition, 18 countries have ratified: Bahrain, Bangladesh, UAE, Gambia, Indonesia, Iran, Jordan, Kuwait, Malaysia, Morocco, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Somalia, Syria and Türkiye. The Rules of Origin came into force on August 9th 2011.

To date, the following 14 OIC Member States: Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Morocco, Oman, Qatar, Türkiye, Malaysia, Syria, Bangladesh, Iran, Pakistan and Jordan have sent to the TNC Secretariat the List of Products for tariff concessions under the TPS/OIC.

Besides, during the seminar on the rules of origin of the TPS/OIC Agreement organized by the COMCEC Office and Türkiye's TOBB in January 2015 in Ankara, it was recommended to the participating countries to update their products' list of concession into an Harmonized System with 8 digits, 2015 Version in order to facilitate the launching of a new round of trade negotiations among the OIC Member Countries.

In order to make the TPS-OIC system operational, 10 Member States have to fulfill two conditions at the same time, namely the ratification of the three TPS-OIC Agreements and the submission of the list of concessions to the TNC Secretariat. The list showing signing/ratifying TPS-OIC Member Countries can be found in Annex.

However, for the System to enter into force, there are a few practical steps that should be taken by the participating member states. The most important step in this context is the updating of the concession lists in annex. As of September 2019, Türkiye, Malaysia, Pakistan, Jordan, Bangladesh, Iran, Morocco, and Gulf Cooperation Council on behalf of its 6 Member States have submitted their updated concession lists. The 34th Session of the COMCEC held on November 26-29th, 2018 in İstanbul, has requested the Trade Negotiating Committee (TNC) Secretariat to communicate with the concerned participating Member States to ensure the submission of the concession lists in the same format and circulate them among the concerned Member States accordingly.

On the other hand, for successful implementation of the System, the Member Countries are required to undertake some internal measures, such as: printing the TPS-OIC Certificate of Origin documents, conveying specimen impressions of stamps to the Trade Negotiating Committee Secretariat and completing the necessary internal legislative and administrative measures. After the completion of these measures, the System would become fully operational.

The Committee requested the ICDT, COMCEC Coordination Office, and other relevant OIC Institutions to continue organizing awareness raising and capacity building activities regarding TPS-OIC.

The 37th Ministerial Session of the COMCEC held in Istanbul, Republic of Türkiye from November 24-25, 2021, decided, in Resolution 40, that July 1, 2022, is the deadline for the

entry into force of the System. The Member States concerned were invited to complete the necessary internal procedures and other preparations until that date.

The Committee requests ICDT, the COMCEC Coordination Office, and other relevant OIC institutions to continue to organize awareness-raising and capacity-building activities regarding the TPS-OIC.

In this context, ICDT will continue to carry out awareness-raising activities. In this regard, seminars and webinars will be organized during the years 2026 and 2027 for the benefit of OIC member states that express needs for technical assistance, focusing on the application or possibilities of expanding the scope of this system.

III. The Role of ICDT as a Member of the TNC Secretariat

As a reminder, the 19th Session of the Standing Committee for Economic and Commercial Cooperation has entrusted the ICDT and the COMCEC Coordination Office, the Secretariat of the Trade Negotiating Committee.

Within this framework, the Islamic Centre for Development of Trade provides the Member States with the technical assistance in the form of training sessions intended for the executive staff operating in the field of foreign trade or by submitting explanatory notes on the framework agreement on the Trade Preferential System among the OIC Member States and on the Protocol on the Preferential Tariff Scheme for TPS/OIC (PRETAS) and the protocol on the Rules of Origin.

The Islamic Centre for Development of Trade provides comprehensive explanatory notes related to issues debated within the framework of negotiations on the Trade Preferential System (TPS/OIC), the Protocol on the Preferential Tariff Scheme (PRETAS and the Protocol on the Rules of Origin).

In this regard, the Islamic Centre for Development of Trade has recently prepared explanatory notes on “the Framework Agreement on the Trade Preferential System among the OIC Member States, the PRETAS Protocol, intended for the Countries of the Gulf Cooperation Council and Indonesia.

Upon the successful conclusion of the 1st and 2nd Rounds, the Trade Negotiating Committee will carry on its work that will focus on two main actions: on the one hand, the implementation of the PRETAS, notably by applying the fast track and the consideration of issue relating to the removal of para- and non-tariff measures on the other.

Within the framework of the operationalization of the TPS/OIC Agreement and its protocols, ICDT sent circular letters to participating Member States relating to checklist of the implementation process of the Rules Origin, the conversion of tariff lines from 2003 to 2015 version of applied tariffs in order to facilitate trade negotiations between these countries.

Since 2016, several outreach seminars have been organized to raise awareness and popularize the implementation of the TPS-OIC system.

The proceedings of these meetings, which involved negotiators and stakeholders in charge of the implementation of this system, focused on the following topics

- ✓ OIC and ICDT Ten-Year Program of Action to Strengthen Intra-OIC Trade (2016-2025);
- ✓ Regional Trade Cooperation Programs customized for each regional grouping (in Africa, Arab, and Asia);
- ✓ Presentation of the legal instruments of this system: the Framework Agreement of the TPS/OIC, the Protocol on the Preferential Tariff Scheme for TPS/OIC (PRETAS); the Protocol on the Rules of Origin of TPS/OIC, the negotiations process;
- ✓ The conformity of the TPS-OIC with the WTO
- ✓ Impact of TPS/OIC and its protocols on the economies of member countries, by region;
- ✓ Accession procedures to the TPS/OIC and practical implementation modalities.

These awareness-raising actions, held continuously since 2016, targeted member regions and countries in Africa, the Arab and Asian regions.

These workshops identified the opportunities offered by this system as well as the technical concerns and challenges of its implementation, in light of the regional commitments of OIC member countries.

1. Meetings of the Trade Negotiations Committee

Over the past five years, the Secretariat of the TPS-OIC (ICDT and the COMCEC Coordination Office) has organized four meetings of the Trade Negotiations Committee (TNC) at the experts' level, in addition to the third Ministerial Meeting held on 10-11 June 2024 in Istanbul.

During these five meetings, discussions focused on the practical aspects of the operationalization of the TPS-OIC, the progress made in its effective implementation since 1 July 2022, and the prospects for its expansion.

A summary of the proceedings of the last three meetings of the Trade Negotiations Committee is presented as follows:

Third Ministerial Meeting of the TNC, held on 10-11 June 2024 in Istanbul:

During this meeting, the delegations took note of a draft "Negotiation Strategy and Work Program for the Possible Expansion of the TPS-OIC" proposed by the Republic of Türkiye. This project sets the following objectives:

- Strengthening the tariff preferences offered by PRETAS through a new Protocol on Trade in Goods;
 - Launching negotiations on a Protocol on Services and Investment Facilitation;
 - Launching negotiations on a Protocol on Trade Facilitation.
- In order to follow up on this draft strategy, the TNC Secretariat (COMCEC Office and ICDT) was tasked with conducting a study on the benefits, challenges, and potential of the TPS-OIC, in cooperation with interested OIC institutions, considering international best practices.
 - Regarding the possible expansion of the TPS-OIC, the TNC Secretariat was also tasked

with preparing, in consultation with the OIC General Secretariat, a legal explanatory note on the date of entry into force of the TPS-OIC Agreements.

- Discussions also addressed the possibility of OIC member states belonging to Regional Economic Communities joining the TPS. It was agreed to give these countries time to thoroughly consider the possibility of joining PRETAS and the Protocol on Rules of Origin, while inviting countries to share their experiences on this issue.

Meeting of the TNC at the Experts' Level (1–2 October 2025, Ankara):

In the same vein, a meeting of the Negotiation Committee is scheduled to take place on 1–2 October 2025 in Ankara, Türkiye. The purpose of this meeting is to review the progress made in implementing the TPS-OIC. Further consideration will be given to a roadmap for negotiations, which should focus on the possibilities for a potential expansion of the TPS-OIC.

Regarding the smooth implementation of the System, participating Member States were invited to provide updates on the aspects related to the implementation of the TPS-OIC, namely: the updated contact details of the national focal points responsible for the implementation of the System; the updated lists of concessions under the Harmonized System; the latest specimens of the stamps used on certificates of origin; and the actual implementation figures (number of import–export operations carried out under this System).

Furthermore, in order to improve communication among participating States, the Committee requested the TNC Secretariat to make available an online portal (hosted on the ICDT and CCO websites) comprising all necessary information relating to the implementation of the TPS-OIC. This platform will be accessible to the focal points of participating States via passwords, enabling them to update their information themselves. In addition, participating States were invited to make effective use of the COMCEC e-mail system dedicated to the TPS-OIC.

Furthermore, with regard to the possibilities for expanding the system, the Trade Negotiations Committee decided to initiate preliminary discussions, after taking note of the comments made by Member States on the study prepared by the ICDT on the “opportunities and challenges of revising the TPS-OIC.” These discussions should focus on:

- The challenges associated with implementing PRETAS;
- Possible areas and objectives for expansion;
- Legal considerations;
- Institutional issues.

Virtual Meeting of the TNC at the Experts' Level (3–4 February 2026, Ankara)

This virtual meeting, held on 3–4 February 2026 under the auspices of the Republic of Türkiye, highlighted tangible progress in the implementation of the TPS-OIC, while also providing a platform to discuss prospects for its expansion.

On this occasion, emphasis was placed on the launch, in January 2026, of a dedicated TPS-OIC portal (<https://tpsoic.icdt-cidc.org>). The authorities of participating countries

are provided with secure access to update their concession lists and implementation procedures online.

Discussions on the expansion of the system revealed differing approaches, with some members advocating for accelerated trade liberalization, while others favored a more gradual approach. To address this divergence, the Committee approved a proposal by Saudi Arabia to circulate questionnaires by mid-March 2026, with a view to gathering members' perspectives on the scope and modalities of a potential expansion of product coverage.

Finally, the TNC decided to structure its upcoming meetings thematically, initially focusing on current implementation challenges before addressing legal issues.

The ICDT contributed to the proceedings of these meetings through the presentation of analytical findings related to the implementation and expansion of the TPS-OIC, in particular:

- A presentation on the potential economic impact of the TPS-OIC on the 13 participating countries. The results of this econometric analysis indicated that the system has a positive impact on GDP, production, consumption, exports, imports, and investment in these countries.
- A presentation on the opportunities and challenges associated with extending the legal provisions of the TPS-OIC, based on an analytical report that highlighted recommendations on ways to deepen and broaden the scope of the system to other areas, such as trade in services.
- Contribution to the preparation of an explanatory legal note on the date of entry into force of the TPS-OIC Agreements.
- A presentation of the online portal dedicated to the TPS-OIC.

2. Analytical Report on Ways and Means to Successfully Implement the TPS-OIC System

In line with the recommendations of the 3rd TNC meeting, the ICDT prepared a report addressing the challenges and opportunities related to revising the legal provisions of the TPS-OIC texts.

The report examines the various provisions of the Agreement and assesses their compatibility with World Trade Organization (WTO) agreements. It also evaluates the extent of the system's tariff concessions in comparison with other regional preferential arrangements currently in place within the OIC region.

Additionally, the report highlights the strengths and weaknesses of the Agreement and outlines potential opportunities for revising or updating its provisions, with a particular focus on proposed approaches and mechanisms for inter-state negotiations.

Drawing on the best international practices, the report highlighted several key aspects:

- The TPS is recognized as a significant legal instrument contributing to the integration of OIC markets.
- The system offers opportunities for periodic review and enhancement, as

provided under Article 20 of the Framework Agreement, Article 10 of PRETAS, and Article 32 of the Rules of Origin Protocol. These provisions can be leveraged to broaden the scope and improve the functioning of the TPS-OIC.

- The analysis also points to several legal challenges, including outdated provisions in the system's texts that no longer align with the standards of modern integration agreements.
- The current level of TPS-OIC tariff preferences remains limited, especially when compared to those granted under existing regional agreements within the OIC. Similar limitations are noted in the area of rules of origin.
- Trade preferences under the TPS-OIC are currently restricted to goods, despite untapped potential in the areas of trade in services and investment.
- The issue of certain OIC member states joining other regional economic groupings.
- Finally, the report proposes avenues for member countries to consider in shaping future negotiations aimed at expanding and strengthening the scope of trade preferences under the TPS-OIC.

IV. Implementation of TPS-OIC

To facilitate the operationalization of the TPS-OIC, ICDT organized, in cooperation with the COMCEC Secretariat, awareness-raising roundtables on the TPS/OIC for the benefit of the OIC member countries in collaboration with the COMCEC Coordination Office. These roundtables were organized in:

- A round table, organized for the benefit of the members of the Trade Facilitation Council of Guinea, on 8 June 2023, in Conakry, Republic of Guinea.
- A Consultative Meeting of the Arab Member States of the Gulf Cooperation Council (GCC) on the practical arrangements for the implementation of the TPS-OIC system, held on 1st November 2023 in Riyadh, Kingdom of Saudi Arabia. In addition to the 6 GCC countries, this meeting involved Türkiye and Bangladesh as well as the ICDT and the COMCEC Bureau. On this occasion, the provisions of the legal texts of this system were explained, along with an exchange of experience on the procedures for its application.
- A virtual workshop held on June 5, 2024, for the benefit of Arab countries that are in the process of accession to the TPS-OIC. The objective of this initiative is to explain the legal and practical aspects of this system, with a view to helping these countries accelerate the completion of internal accession procedures.
- A webinar on "The Role of the OIC Trade Preferential System (TPS-OIC) in Strengthening Economic Integration for the Benefit of the African Group of OIC Member States" was held on February 19, 2025. The primary objective of this webinar was to raise awareness among OIC member countries that are part of regional economic groupings such as CEMAC, ECOWAS, COMESA, and SADC, highlighting the significance of joining the TPS-OIC.
- Awareness-raising webinar on the importance of the TPS-OIC, held on 13 January 2026, for the benefit of OIC member countries from the Asian and Arab groups.
- Launch of an online portal (hosted by the ICDT and COMCEC Coordination Office websites) containing all necessary information related to the implementation of

the TPS-OIC. This platform will be accessible to focal points in participating States via passwords, enabling them to update their information themselves.

V. Annexe:

LIST OF MEMBER STATES THAT HAVE SIGNED AND RATIFIED THE TPS-OIC AGREEMENTS (As of October 2025)								
No.	Member State	Framework Agreement		Protocol on the Preferential Tariff Scheme (PRETAS)		Rules of Origin		Submission of Concession Lists
		Signature	Ratification	Signature	Ratification	Signature	Ratification	
1	United Arab Emirates	√	√	√	√	√	√	√
2	Bahrain	√	√	√	√	√	√	√
3	Bangladesh	√	√	√	√	√	√	√
4	Benin	√	---	√	---	√	---	
5	Brunei Darussalam	√	√	---	---	---	---	
6	Burkina Faso	√	---	√	---	√	---	
7	Chad	√	---	---	---	---	---	
8	Djibouti	√	√	√	---	√	---	
9	Indonesia	√	√	√	---	√	---	
10	Morocco	√	√	√	√	√	√	√
11	Cote d'Ivoire	√	---	√	---	√	---	
12	Palestine	√	√	√	√	√	√	
13	Gabon	√	√	---	---	---	---	
14	The Gambia	√	√	√	√	√	√	
15	Guinea	√	√	√	---	√	---	
16	Guinea-Bissau	√	---	√	---	√	---	
17	Iraq	√	√	---	---	---	---	
18	Iran	√	√	√	√	√	√	√
19	Cameroon	√	√	√	√	√	---	
20	Qatar	√	√	√	√	√	√	√
21	Comoros	√	---	√	---	√	---	
22	Kuwait	√	√	√	√	√	√	√
23	Libya	√	√	---	---	---	---	
24	Lebanon	√	√	---	---	---	---	
25	Maldives	√	√	---	---	---	---	
26	Malaysia	√	√	√	√	√	√	√
27	Mauritania	√	√	√	---	√	√	
28	Egypt	√	√	√	---	---	---	
29	Niger	√	---	√	---	√	---	
30	Nigeria	√	---	√	---	√	---	
31	Pakistan	√	√	√	√	√	√	√
32	Senegal	√	√	---	---	---	---	
33	Sierra Leone	√	---	√	---	√	---	
34	Somalia	√	√	√	√	√	√	
35	Sudan	√	---	√	---	√	---	
36	Syria	√	√	√	√	√	√	√
37	Saudi Arabia	√	√	√	√	√	√	√
38	Tunisia	√	√	√	---	√	---	
39	Türkiye	√	√	√	√	√	√	√
40	Uganda	√	√	---	---	---	---	
41	Oman	√	√	√	√	√	√	√
42	Jordan	√	√	√	√	√	√	√
		42	32	33	18	32	18	14

Source : COMCEC, GS OIC, ICdT.