

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

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

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

#### Article Two

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

#### Article Three

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

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

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

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

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

#### Article Four

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

#### Article Five

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