

Organization of the Islamic Conference (OIC)

Jordan is a member of the Organization of Islamic Conference (OIC) and is party to the Framework Agreement for Exchange of Customs Preferences which aims at providing market access at preferential customs tariffs rates amongst member states of the OIC. The agreement entered into enforcement on January 1st, 2003 after being ratified by ten Islamic member countries.

Islamic member countries that signed and ratified the Framework Agreement for Exchange of Customs Preferences:

Egypt, Tunisia, Libya, Lebanon, Turkey, Iran, Pakistan, Malaysia, Uganda, Cameroon, Senegal, Bangladesh, Guinea, and Jordan. (Jordan signed the agreement on February 10th, 1992 and ratified it on December 21st, 1998).

Member states negotiated and agreed on a mechanism to reduce customs tariffs under the Framework Agreement through a protocol that was ratified by the Standing Committee for Economic and Commercial Cooperation (COMSEC) on November 25th, 2005. Jordan, Turkey and Egypt signed this protocol and it will enter into force after its ratification by ten member states.

Main provisions of the Protocol on Reducing Customs Tariffs under the Framework Agreement for Exchange of Customs Preferences amongst OIC Member States:

1. Each participating country shall specify 7% of its total tariff lines under the Harmonized System (HS) of tariffs to be subject to reduction in customs tariffs as follows:

Reduction is to take place over four years for developing member countries, and over six years for less developed member countries from date of entry into force of the protocol:

- Customs tariffs exceeding 25%: to be reduced to 25%.
- Customs tariffs more than 15% and less than or equal to 25%: to be reduced to 15%.
- Customs tariffs more than 10% and less than or equal to 15%: be reduced to 10%.
- Tariff lines with customs tariffs of 10% or less than 10% are not subject to any reduction.

2. Developing member countries shall, within two years from entry into force of the Protocol, and less developed member countries shall, within four years from entry into force of the Protocol, eliminate para tariffs imposed on products subject to customs tariffs reduction under the Protocol. Member states shall not introduce new para tariffs.

3. Developing member countries shall within two years from entry into force of the Protocol, and less developed member countries shall within four years from entry into force of the Protocol, abolish all non-tariff barriers imposed on products subject to customs tariffs reduction under the Protocol. Member states shall not introduce new non-tariff barriers.