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Circular

D30

## EFTA-GCC Free Trade Agreement

**Entry into force of the EFTA-GCC Free Trade Agreement<sup>1</sup> and the bilateral agricultural agreement between Switzerland and the GCC<sup>2</sup> on 1 July 2014.**

### 1 GCC

GCC (Gulf Cooperation Council) refers to the member states of the Cooperation Council for the Arab States of the Gulf, which is composed of the following six countries:

- [Bahrain](#) (BH)
- [Qatar](#) (QA)
- [Kuwait](#) (KW)
- [Oman](#) (OM)
- [Saudi Arabia](#) (SA)
- [United Arab Emirates](#) (AE)

The GCC member states form a customs union. Corresponding originating products are designated as such with "GCC" as the origin.

### 2 Preferential rates upon importation

Upon entry into force of the agreement, Bahrain, Saudi Arabia and Oman will lose their status as developing countries that qualify for preferential treatment within the framework of the Generalized System of Preferences (GSP). The Ordinance on Tariff Preferences ([SR 632.911](#)) will be amended accordingly. The preferential rates set within the scope of the Agreement will be amended to the date of entry into force in the electronic customs tariff t@res.

### 3 Origin provisions

#### 3.1 Principle

##### 3.1.1 Multilateral EFTA-GCC Free Trade Agreement

###### Territorial scope

- EFTA countries
- GCC countries

###### Scope

- Goods in chapters 25 to 97 of the customs tariff, except for a small number of agricultural products included in the chapters mentioned
- Certain processed agricultural products

<sup>1</sup> [SR 0.632.311.491](#)

<sup>2</sup> [SR 0.632.311.491.1](#)

- Fish and certain other marine products

### 3.1.2 Bilateral agricultural agreement between Switzerland and the GCC

The bilateral agricultural agreement between Switzerland and the GCC countries includes certain basic agricultural products in chapters 1 to 24.

## 3.2 Rules of origin and list rules

### 3.2.1 Drawback

The drawback provisions should be applied.

### 3.2.2 Cumulation

Within the scope of the EFTA-GCC Agreement, cumulation is restricted to products originating from EFTA countries and the GCC, whereas within the scope of the agricultural agreement between Switzerland and the GCC, this remains restricted to products originating from Switzerland and the GCC. Cumulations with products originating from other countries are not permitted.

### 3.2.3 Direct dispatch

The direct dispatch rule must be observed. However, consignments may be split up in non-party states.

For imports from Bahrain, Saudi Arabia and Oman, which will lose the status of developing countries, the possibility of having replacement certificates of origin issued by EU authorities for consignments split up in the EU as provided for in the GSP is not available. In such cases, a GCC certificate of origin is required.

## 3.3 Certificates of origin

A valid certificate of origin is the movement certificate EUR.1 for consignments of all values. The period of validity is 12 months from the issue date. Given that the GCC member states form a customs union, the corresponding originating products are to be designated as such with "GCC" as the origin.

Upon exportation, the **quadrilingual**<sup>3</sup> movement certificate **must** be used and the front page must be filled in **in English**. The regulations on EUR.1 movement certificates are comparable to the regulations in other agreements which require EUR.1 movement certificates.

**The invoice declaration (declaration of origin) is not envisaged for the time being. This means that approved exporters also have to apply for EUR.1 movement certificates.**

The value limits for forgoing certificates of origin (small consignments from one private individual to another EUR 500 and products imported in tourist traffic EUR 1200) are in line with those of other free trade agreements.

## 3.4 List rules

The list rules are based mainly on the rules in European agreements. However, they are less restrictive and allow the exporter in the industrial sector (HS chapters 25-97) the choice between a value criterion with a 60% third-party country share and the change to a four-digit code (code change). There are variations in particular in chemical products (less restrictive rules) and in the watch-making sector (more restrictive rules).

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<sup>3</sup> Cf. [Information "EUR.1 movement certificate form is now quadrilingual" dated 26.3.2007](#)

### **3.5 Non-preferential origin provisions**

The free trade agreement with the GCC countries contains no provisions on non-preferential origin. It can be assumed that no changes will occur in this area due to the agreement.

## **4 Tariff dismantling upon importation into GCC countries**

The EFTA countries and Switzerland will reduce their customs duties on industrial products in a single step upon entry into force of the agreement. The GCC will also reduce duties in a single step, with the exception of the tariff lines outlined in annex VI.

The tariff dismantling in detail:

Exceptions in chapters 25-97 ([Annex VI](#))

Processed agricultural products ([Annex III](#))

Basic agricultural products ([Annex I of the bilateral agricultural agreement](#))

Fish and other marine products ([Annex V](#))

## **5 Transitional provisions**

Originating products that are either in transit or located in a contracting state for temporary storage under customs supervision in a duty-free warehouse or are in a free zone when this agreement comes into force can nevertheless benefit from a preferential assessment. For this purpose, a EUR.1 movement certificate subsequently drawn up by the exporter after entry into force of the agreement as well as documents as proof of direct transport must be submitted to the customs authorities of the importing country within four months of that date.

## **6 Documents**

The free trade agreement (incl. the list rules) will be posted in D30 at the following address:

<http://www.ezv.admin.ch/dokumentation/04032/05003/index.html?lang=en>

The other documents available on the internet will be revised.

The full agreement can be found on the website of the EFTA secretariat at the following address:

<http://www.efta.int/free-trade/free-trade-agreements/gcc>

## **7 Entry into force**

These amendments will enter into force on 1 July 2014.

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