Overview of Afghanistan's commitments

Working Party Members considered the Accession Package of Afghanistan of high quality, which would contribute to strengthening the rules-based Multilateral Trading System and providing a long term agenda for legislation-based domestic reforms in Afghanistan. The terms and conditions for the WTO Accession of Afghanistan are designed to achieve its development priorities. These include facilitating domestic reforms for transformation to a productive market economy, attracting investments and creating jobs and improving the welfare of Afghans. Its WTO obligations will apply to all WTO Members, on an MFN basis. Members in their statements congratulated Afghanistan for its commitment to ambitious WTO-consistent reforms.

Market access for goods and services

As part of the accession negotiations, Afghanistan concluded 9 bilateral market access agreements on goods and 7 bilateral market access agreements on services.

On goods, Afghanistan has underta

Distribution: For commercial presence, foreign investment will need to be no less than Afs 6 million (around US\$120,000), adjusted for inflation.

Bilateral Deals

Afghanistan's bilateral market access deals were:

On goods

Afghanistan will not apply other duties and charges, except for the 0.2% Red Crescent Tax applied on most tariff lines. The Red Crescent Tax will be eliminated within 15 years from the date of accession.

Afghanistan will implement tariff exemptions in conformity with the WTO provisions.

Industrial Subsidies: Afghanistan will not introduce or maintain prohibited subsidies. It will administer any subsidy programmes in conformity with the <u>SCM Agreement</u>. Export promotion measures will be applied in conformity with WTO requirements.

Agricultural Policies: Afghanistan will bind agricultural export subsidies at zero.

Technical barriers to trade (product standards and certification): Full implementation of the <u>TBT Agreement</u> will start from 1 January 2018. During the transition period, existing TBT measures will be applied on a non-discriminatory basis. Any changes made in Afghanistan's laws, regulations and practice during the transition period will not result in a lesser degree of consistency with the TBT Agreement than existed at the date of accession.

Sanitary and phytosanitary (SPS) measures: Full implementation of the SPS Agreement will start from 1 January 2020. During the transition period, existing SPS measures will be applied on a non-discriminatory basis. Any changes made in Afghanistan's laws, regulations and practice during the transition period will not result in a lesser degree of consistency with the SPS Agreement on than existed at the date of accession. Afghanistan will consult with Members upon request, if they deem that any measures applied during the transition period affect their trade negatively.

Trade-Related Investment Measures (TRIMS): Afghanistan's investment regime will be <u>TRIMs</u>-consistent. Local content requirements for goods in the Hydrocarbons Law 2009 (applied to contactors) and the Law on Minerals 2014 (applied to holders of licenses and authorizations) will be eliminated by 31 December 2020.

Free Zones and Special Economic Zones (SEZs): Any free zones or special economic areas established in Afghanistan will be administered in compliance with WTO provisions. The right of firms to establish and operate in these zones will not be subject to export performance, trade balancing, or local content requirements in accordance with these obligations. Goods produced in any such zones/areas, will be subject to normal customs formalities when entering the rest of Afghanistan, including the application of tariffs and taxes.

Transit: Afghanistan will apply any laws, regulations or other measures governing transit of goods in conformity with the WTO Agreement, in particular Article V of the GATT 1994.

Government Procurement: Afghanistan will initiate the negotiations on joining the <u>Agreement on Government Procurement</u> within one year from accession.

Trade-Related Intellectual Property Rights (TRIPS): Full implementation of the TRIPS Agreement will start no later than 1 January 2019. Articles 3, 4 and 5 of the TRIPS Agreement will apply from the date of accession. Any changes made in Afghanistan's laws, regulations and practice in the transitional period will not result in a lesser degree of consistency with the provisions of the TRIPS Agreement that existed on the date of accession. Afghanistan will seek technical assistance to ensure that its capacity to enforce its TRIPS-consistent legal regime, upon the expiration of the transition period.

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without delay of the reasons for such action. In case examinations are held for the licensing of professionals, such examinations will be scheduled at reasonable intervals.

For the services included in the Schedule of Specific Commitments on Services of Afghanistan, the appropriate regulatory bodies will be separated from, and not subordinated to, any of the services providers governed by them, prior to 1 January 2021. Foreign suppliers will have the right to choose their partners.

Transparency: Afghanistan will implement the transparency provisions in the WTO Agreements requiring notification and publication. No law, regulation, judicial decision, administrative ruling, or other measures of general application, pertaining to or affecting trade in goods, services and TRIPS, except for laws, regulations and other measures involving national emergency or security, or for which publication will impede law enforcement, will become effective prior to its publication.

All laws and regulations regarding the application and level of fees and charges imposed by Afghanistan on or in connection with importation and exportation will be published by the Ministry of Commerce and Industries in a single location or website.

Afghanistan will publish all laws, regulations and other measures of general application pertaining to or affecting trade in services. Publication of such laws, regulations and other measures will include the effective date of these measures and the general scope of services or activities affected. It will also publish a list of all organizations responsible for authorizing, approving or regulating service activities for each service sector and, its licensing procedures and conditions. The licensing procedures and conditions will be published prior to becoming effective.

Afghanistan will publish any regulations or other implementing measures of general application that it proposed to adopt. It will provide interested persons (including Members) a reasonable opportunity to comment on such proposed regulation / implementing measure. A reasonable period of time between publication of the regulation or other implementing measure and its effective date will be provided.

Afghanistan will submit all initial notifications required by the WTO Agreement. Any laws, regulations, or other measures subsequently enacted by Afghanistan, required to be notified pursuant to the WTO Agreement, will also be notified. Specifically, Afghanistan's rules of origin will be notified to the WTO Committee on Rules of Origin; all necessary information on subsidy programmes will be notified to the SCM Committee; TRIPS legislation, in draft and promulgated form, will be notified to the TRIPS Council.

Afghanistan will provide reports to WTO Members on developments in its privatisation programme, as long as the programme is in existence.

Anti-dumping, countervailing or safeguard measures will not be applied by Afghanistan until it has notified appropriate laws in conformity with the provisions of the relevant WTO Agreements.

Afghanistan will notify any changes of its duties, taxes, fees and charges applied to exports on the day of their publication / at least 30 days before any such changes enter into force.

Next steps

Afghanistan's Accession Package has been forwarded to the Tenth Ministerial Conference in Nairobi for formal adoption by all 162 WTO members.

The final step before Afghanistan becomes a WTO member would be the ratification of the Accession Package by Afghanistan's Parliament by 30 June 2016.

Afghanistan will become a full-fledged member 30 days after it notifies the WTO of the ratification.

Learn how to become a member of the WTO.

Key Facts

Application received: 21 November 2004

Chief negotiator: Mr Mozammil Shinwari, Deputy Minister for Commerce and Industries of

Afghanistan

Last member to join the WTO: Kazakhstan

Working party

Chairperson: H.E. Mr Roderick van Schreven (Netherlands)

Members (28): Argentina; Australia; Brazil; Canada; China; European Union; Haiti; India; Japan; Jordan; Korea, Republic of; Kyrgyz Republic; Nepal; Nigeria; Norway; Pakistan; Panama; Philippines; Russian Federation; Saudi Arabia, Kingdom of; Chinese Taipei; Tajikistan; Thailand; Turkey; Ukraine; United States; Viet Nam and, Yemen.

Established: 13 December 2004

Meetings: five