

**Annex C to the Preferential Trade Agreement the between
the Syrian Arab Republic and the Islamic Republic of Iran**

**Rules of Origin for PTA between
the Syrian Arab Republic and the Islamic Republic of Iran**

The following are the Rules of Origin as applicable to trade concessions exchanged between the Syrian Arab Republic ("Syria") and the Islamic Republic of Iran ("Iran"), hereinafter referred to as the "Contracting Parties", under the Preferential Trade Agreement between the Syrian Arab Republic and the Islamic Republic of Iran (PTA). These rules may be called Syria-Iran PTA Rules of Origin. They shall come into force along with the implementation of Syria-Iran PTA.

Rule 1: Determination of origin

Products contained in annex A and annex B of Syria-Iran PTA imported from one Contracting Party to the other Contracting Party shall be eligible for preferential treatment if they satisfy the requirements of the present Rules of Origin.

Rule 2: Definitions

For the purpose of implementing Syria-Iran PTA Rules of Origin, the following terms shall have the meaning stated next to each:

- a. **Manufacturing:** the process(es) to which production inputs are subjected in order to produce materials, products or goods.
- b. **Production inputs:** crude or raw materials, semi-finished goods, and/or intermediate goods used in the production of goods.

Rule 3: Concept of origin

For the purpose of implementing the Syria-Iran PTA Rules of Origin and without violating Rule 5, the following products shall be considered of national origin:

- a. Products totally produced or obtained in either Contracting Party within the concept of Rule 7.
- b. Goods manufactured by either Contracting Party in which input(s) Originated from a non contracting party are used. The value added on those goods shall not be less than 50% calculated according to Rule 4, subject to the condition that the final process of production shall be carried out in the Exporting Contracting Party.

Rule 4: Value added calculation

1. The value-added shall be calculated according to the following principles:

- All wages and salaries: including cash and in kind pay; training expenses; various benefits; end-of-service compensation; and social security (for production workers, administrative and technical staff directly related to production such as supervisors, and quality/storing/packaging control workers or indirectly related to production such as administrative, accounting and marketing staff).
- Depreciation of fixed assets: this includes depreciation of industrial buildings, equipment and machinery and residential buildings owned by the organization not under lease and directly related to the production activity. Depreciation will be calculated according to the rates imposed by the competent authorities. The depreciation of any fixed asset shall not be included in the calculation of value-added when the book value gets to zero.
- Leases: they include utilized local industrial lands, warehouses, industrial buildings, product marketing shops (showrooms for factory products) and workers' dwellings not owned by the company.
- Financing cost: this includes total costs paid on loans used to finance the above fixed assets, or to finance the institution's direct activity or the cost of those loans pursuant to valid regulations in each country.
- Intermediate and raw inputs of national origin: they include basic raw materials and intermediate items used in the production process. The concept of national origin covers what is produced locally and what is produced in a member country fulfilling the feature of national origin.
- Other expenses: they include costs of lab tests, R&D, insurance indemnity for buildings and machines, costs and duties of patents

and copyrights related to production and costs of leasing of machinery used in the production process.

- Fuel, electricity and water: they include all costs of fuel, electricity and water used in the production process.
- General and administrative expenses: they include post, telegraph, telephone ... etc.

2. The value added will be calculated according to one of the following two methods:

a. cumulative method, as follows:

$$\text{Value-added rate} = \frac{\text{Value added (sum of elements mentioned in paragraph 1 above)} \times 100}{\text{EXW* value}}$$

EXW Value = value added + CIF value of imported inputs – duties and taxes imposed on them

b. final value of product, as follows:

$$\text{Local Value added} = \frac{\text{EXW value} - \text{CIF value of imported inputs} - \text{relevant duties and taxes} \times 100}{\text{EXW value}}$$

Rule 5: Cumulation

Materials originating in one Contracting Party shall be considered as materials originating in the other Contracting Party where incorporated into a product obtained there.

Rule 6: Harmonization of rules

In order to maximize the benefits, future consultations shall be conducted to harmonize the Rules of Origin in the Contracting Parties with any future bilateral/multilateral arrangements between either Contracting Party and any regional/international economic grouping without violating their commitments under Syria-Iran PTA.

Rule 7: Products totally produced or obtained

Within the concept of Rule 3.a, the following items shall be considered as being wholly produced or obtained in the exporting Contracting Party:

- a. Crude products mined in its land, water or seabed.
- b. Agricultural products picked or harvested in its land.
- c. Animals born and bred in its land.
- d. Products originated from animals bred in its land.
- e. Products originated from hunting or fishing in its land.

* EXW = Ex factory

- f. Sea fishing products and other sea products harvested in high seas by its ships.
- g. Products prepared/processed aboard factory ships affiliated to it from products mentioned in (f) exclusively.
- h. Used items collected in its land, only useful for recovering crude materials.
- i. Waste and scrap resulting from manufacturing processes in its land.
- j. Products produced in its land exclusively from products mentioned in articles (a) to (i) above.

Rule 8: Insufficient work or processing

Not one or more of the following operations or processes shall by themselves constitute the final process of manufacture:

- a. Preserving operations to ensure that the products remain in good condition during transport and storage such as ventilation and spreading, cooling, putting in saline solutions or any other water solutions containing carbon dioxide, disposing of damaged parts and similar operations.
- b. Simple operations like removal of dust, sieving or screening, sorting, classifying, grading, matching, including the making up of sets of articles, washing, painting, cutting.
- c. Breaking up and assembly of packages.
- d. Simple placing in bottles, cans, flasks, bags, boxes, fixing on cards or boards and all other simple packaging operations.
- e. Affixing marks, labels, logos, and other like distinguishing signs on products or their packaging.
- f. Simple mixing of products whether or not of different kinds.
- g. Simple assembly of parts of articles to constitute a complete article.
- h. A combination of two or more operations in subparagraphs a to f.
- i. Slaughter of animals.
- j. Fabric decorating in the framework of textile production such as those related to folding, polishing, simple decorating/embroidering and the like.

Rule 9: Administrative cooperation

The Contracting Parties shall provide one another with forms of stamps, names and addresses of the bodies in charge of issuing and certifying Certificates of Origin in their respective countries.

Rule 10: Direct consignment

The following shall be considered as direct consignment from the exporting Contracting Party to the importing Contracting Party:

- (a) If the products are transported without passing through the territory of any non-contracting party;
- (b) If the transport of products involves transit through one or more

intermediate non-contracting parties with or without transshipment or temporary storage in such countries, provided that

- (i) the transit entry is justified for geographical reasons or by considerations related exclusively to transport requirements;
- (ii) the products have not entered into trade or consumption there; and
- (iii) the products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition.

Rule 11: Verification

For the purpose of implementing Syria-Iran PTA, the following operational procedures shall be followed on the verification of the Certificate of Origin and the other related administrative matters:

- a) The Contracting Parties shall inform each other of the names and addresses of their respective authorities issuing and certifying Certificates of Origin and the official seals used by their said authorities. They shall also promptly inform each other of any change of the above-mentioned information.
- b) The importing Contracting Party may request a retroactive check at random and/or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question or of certain parts thereof.
- c) The request shall be accompanied by the Certificate of Origin concerned and shall specify the reasons and any additional information suggesting that the particulars given in the said Certificate of Origin may be inaccurate, unless the retroactive check is requested on a random basis.
- d) The Customs authorities of the importing Contracting Party may suspend the provisions on preferential treatment while awaiting the result of verification. However, they may release the products to the importer subject to any administrative measures deemed necessary.
- e) The issuing authorities receiving a request for retroactive check shall reply no later than six months after the receipt of the request.
- f) To facilitate the operation of verification procedures, the focal points of both Contracting Parties shall be identified.
- g) The verification request shall be forwarded to the focal point of the exporting Contracting Party or to the issuing authorities.

Rule 12: Certificate of Origin

- a. To benefit from Syria-Iran PTA, products of national origin (as per Syria-Iran PTA Rules of Origin) traded between the Contracting Parties shall be accompanied by a Certificate of Origin, according to the attached form with all required data provided.
- b. Issuance and Certification of Certificate of Origin:
 1. Certificate of origin shall be issued for goods originated in the Contracting Parties.
 2. Certificate of Origin shall include, mainly, name of producing country, name and address of exporter, manufacturer and the consignee.
 3. Certificate of Origin shall be filled in printed letters and the description of Product shall be in the field dedicated for that purpose in the form without any opportunity for scratching out or addition.
 4. Certificate of Origin of a product shall be issued by the country of origin of that product upon export of goods. In exceptional circumstances however, it may be issued after export or from the exporting country when there is unintentional error or omission in the original Certificate of Origin. In this case the Certificate of Origin shall bear a special mark stating the circumstances within which it was issued.
 5. The certifying as well as the issuing bodies shall keep a copy of the Certificate of Origin along with the attached documents for a period of three years as of the date of its issuance pursuant to the regulations in force at each side.
 6. The Certificate of Origin shall be submitted to the Customs authorities in the importing Contracting Party upon clearance of goods pursuant to the regulations in force at each side.

Rule 13: Exceptions

Products produced at the Free Zones in either Contracting Party shall be excluded from preferential treatment under Syria-Iran PTA

Rule 14: Dispute resolution

Disagreements or disputes resulting from implementing Syria-Iran PTA Rules of Origin shall be referred to the Joint Trade Committee or the Arbitral Tribunal to be established under Articles 16 and 17 of Syria-Iran PTA.

Rule 15: Prohibitions

Either Contracting Party may prohibit importation of products containing any inputs originating from states with which it does not have economic and commercial relations.

Rule 16: Review

These Rules may be reviewed as and when necessary upon request of either Contracting Party and may be open to such modifications as may be agreed there upon.

Logo of
exporting country

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name of country:

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Certificate of Origin
under the Preferential Trade Agreement between
the Syrian Arab Republic and the Islamic Republic of Iran

Name and address of exporter:		Name & address of consignee:			
		Name & address of manufacturer: (If applicable)			
Means of transport:		No. and date of invoice(es):			
Description of Goods:	No., type, codes and marks of parcels	Weight		Quantity	Tariff No.
		Gross	Net		
Origin Criterion (percentage)		Wholly Produced		Not Wholly Produced	
				Domestic	Foreign

Exporter's declaration: I declare the trueness of the above information and that the goods are of origin and that the value-added rate represents percent (in number and in writing) of the total cost of production.

(Place and Date),

(Signature of authorized company signatory)

Certificate: It is hereby certified on the basis of control carried out, that the declaration made by the exporter is correct, including the origin and the percentage of the domestic added value of the goods.

(Place and Date),

(Signature and stamp of the Issuing Body)

Outline and content of the Certificate of Origin

- The form should be unified and should bear the logo of the relevant issuing body in the exporting Contracting Party.
- The Certificate of Origin should contain complete information about the product including description, type, weight, number of parcels, and trademarks.
- The Certificate of Origin should mention the name of producing country, the name and address of the exporter, the manufacturer and the consignee.
- The Certificate of Origin should not contain spaces that may be used for manipulation.
- Stamps should be clear.
- The bodies that issue and certify Certificates of Origin in each Contracting Party should be determined and their names should be communicated to the other Contracting Party.

**For the Government of the
Syrian Arab Republic**

**For the Government of the
Islamic Republic of Iran**

**Dr. Amer Husni Lutfi
Minister of Economy
and Trade**

**Mr. Mohammad Saeidi Kia
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