

# Comprehensive Economic Partnership Agreement (CEPA) between the Government of the Republic of India and the Government of the United Arab Emirates (UAE)

## Introduction

The India-UAE Comprehensive Economic Partnership Agreement (CEPA) signed on 18 February 2022. It covers almost all the tariff lines dealt in by India (11,908 tariff lines) and the UAE (7581 tariff lines) respectively. The agreement is expected to come into force on 01 May 2022.

The Agreement will cover Trade in Goods, Rules of Origin, Trade in Services, Trade Remedies, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Customs Procedures, Pharmaceutical products, Government Procurement, Intellectual Property, Investment, Digital Trade, small and medium enterprises (SMEs including micro-enterprises) and Cooperation in other Areas.

## Highlights of CEPA

- **Custom Duties** – Elimination of all customs duties applied on goods originating from the other party and no impairment for any of the tax concessions made. India shall eliminate its customs duties in accordance with Annex 2A and UAE in accordance with Annex 2B.
- **Grant of temporary admission** – Granting temporary admission free from customs duties on certain goods imported from other party regardless of their origin. Parties shall not impose any condition on temporary admission.
- **Import licensing** – Ensuring transparent implementation of import procedures in accordance with Import Licensing Agreement. Parties shall notify each other about the existing import licensing procedures and also any modification or new procedure made thereafter.
- **Export subsidies** - Parties shall not introduce or maintain export subsidies contrary to their obligations.
- **Non-Tariff Measures** - Neither of the parties shall adopt or maintain non-tariff measure on importation or exportation of any goods.
- **Bilateral investment Treaty** - The parties shall establish a UAE-India Technical Council on Investment and Trade Promotion and Facilitation with an objective to promote and enhance trade and investment between parties, hold consultation on specific matters, facilitate investment and trade flows, etc.
- **Origin criteria** - A product shall be deemed as originating and shall be eligible for preferential treatment if it is wholly obtained or produced in the territory of the Party as prescribed or it has undergone sufficient working or production as per the Product specific Rules.

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- **Proof of origin** - The proof of origin of an exported product shall be provided through any of the following means:
  - ✓ a paper Certificate of Origin in electronic or hard copy format issued by a competent authority
  - ✓ a fully digitised Certificate of Origin (E-Certificate) issued by a competent authority and exchanged by a mutually developed electronic system
  - ✓ an origin declaration made out by an approved exporter
- **Advance Ruling** -
  - ✓ The party shall provide for the issuance of an advance ruling, prior to the importation of a good into its territory to an importer of the good in its territory or to an exporter or producer of the good in the territory of the other Party.
  - ✓ Each Party shall issue rulings as to whether the good qualifies as an originating good or to assess the good's tariff classification.
  - ✓ Each Party shall issue its determination regarding the origin or classification of the good within a reasonable, time-bound manner from the date of receipt of a complete application for an advance ruling.
- **Paperless Trading** - Make trade administration documents available to the public in digital or electronic form and accept documents submitted electronically as the legal equivalent of the paper version.
- **SMEs (including micro enterprises)** - The parties shall cooperate to enhance commercial opportunities for SMEs such as collaborate with other parties to promote SMEs owned by women and youths, start-ups etc. Additionally, an SME Committee may be setup on SME issues. The committee may collaborate with experts to carry out its programs and activities.
- **Economic cooperation** - The parties shall focus on promoting economic cooperation in order to facilitate trade between parties and foster economic growth.
- **Dispute settlement** - Parties shall make attempt to cooperate and arrive at mutually satisfactory resolution. But in case of a dispute, parties shall seek consultations in good faith to arrive at a mutually agreed solution.
- **Duration** - The agreement shall be valid for an indefinite period and any of the party can terminate it through written notification to the other party.