

SAARC PREFERENTIAL TRADING ARRANGEMENT (SAPTA)

1 Introduction

The Agreement on SAARC Preferential Trading Arrangement (SAPTA) was negotiated in the year 1993 by the 7 developing countries that were members of South Asian Association for Regional Cooperation (SAARC).

2 The declared objectives of the SAPTA are:

- a. To promote and sustain mutual trade, and
- b. To develop economic co-operation among developing countries (members of Group of 77).

3 Rules of Origin

a. The objective of these rules is to determine the origin of products eligible for preferential concessions under SAPTA. Products, which have achieved the status 'originating in India', are eligible for preferential tariff treatment upon imports into participant countries.

b. Following products are considered as originating in India, if they are consigned directly to a participant country.

i. Products that are wholly obtained in India, as defined at 5 below.

ii. Products obtained in India in the manufacture of which, in addition to the materials referred to at 5 below and materials originating in participant countries, materials imported from non – participant countries and / or materials of undetermined origin are also used, provided the value of materials imported from non – participant countries and / or materials of undetermined origin does not exceed 50% of the f.o.b. value of the product, subject to condition detailed at 5 below.

4 For the purpose of 3 b ii, value of non-originating materials means the c.i.f. value at the time of importation of such materials or, if this is not known and cannot be ascertained and proved, the first ascertainable price paid for the materials in India.

5 Within the meaning of 3 b i. above, the following are considered as wholly obtained in India.

- (a) Raw or mineral products extracted from its soil, its water or its seabed;
- (b) Agricultural products harvested there;
- (c) Animals born and raised there;
- (d) Products obtained from animals referred to in clause (c) above;
- (e) products obtained by hunting or fishing conducted there;
- (f) Products of sea fishing and other marine products taken from the high seas by its vessels
- (g) Products processed and/or made on board its factory ships exclusively from products referred to in clause (f) above;
- (h) Used articles collected there, fit only for the recovery of raw materials;
- (i) Waste and scrap resulting from manufacturing operations conducted there;
- (j) Goods produced there exclusively from the products referred to in clauses (a) to (i) above.

6 Products which comply with origin requirements provided for at 3b. and which are used by a participant as input for a finished product eligible for preferential treatment by another participant are considered as a product originating in the territory of the participant where working or processing of the finished product has taken place

provided that the aggregate content originating in the territory of the participant is not less than 60 per cent of its f.o.b. value.

7 The following are considered to be directly consigned from India to the importing country.

a. If the products are transported without passing through the territory of any non – participant country.

b. The products whose transport involves transit through one or more non – participant countries with or without transshipment or temporary storage in such countries; provided that

(i) The transit entry is justified for geographical reason 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.

8 When determining the origin of the products, packing forms a whole with the product it contains.

Participant countries:

People’s Republic of Bangladesh

Kingdom of Nepal

Kingdom of Bhutan

Islamic Republic of Pakistan

Republic of India

Democratic Socialist Republic of Sri Lanka

Republic of Maldives

Fee Structure

Sale Price of blank form Rs. 30/- per set / form

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The bank account details of APEDA is as under:

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Account Number : **00000057022180304**

Branch : Asian Games Village- **New Delhi**

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