

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 undertaken tariff concessions and commitments that bind tariff rates for all products on average at 13.5 per cent. For agricultural products, this average is 33.6 per cent while for non-agricultural products the average is 10.3 per cent.

Afghanistan committed to join the [Information Technology Agreement](#) (ITA) upon accession, a WTO plurilateral agreement providing for participants to completely eliminate duties on IT products covered by the ITA Agreement.

Afghanistan's export tariffs will also be bound for 243 tariff lines. Of these, 29.6% are bound at 10%, 24.2% are bound at 2.5%.

On services, Afghanistan has made specific commitments in 11 services sectors, including 104 sub-sectors. These include:

- **Horizontal commitments:** Foreign citizens or juridical persons will have a right to lease land from the state for up to 90 years (this term could be extended). From 1 January 2021, Afghanistan will not require contractors and license holders under the Hydrocarbons Law 2009 and the Minerals Law 2014, respectively, to procure Afghan services that are similar and equivalent in quality, quantity, and price to foreign services. Entry for intra-corporate transferees and persons responsible for the establishment of commercial presence in Afghanistan will be permitted for a period of one year (this period may be extended, annually); for services sellers and persons who provide services without establishing commercial presence in Afghanistan - 180 days during one year.
- **Telecommunications:** No limitations other than as indicated in the horizontal commitments. Agreed to apply the WTO [Basic Telecommunications Agreement](#).
- **Insurance:** No limitations on consumption abroad and commercial presence. On insurance of risks relating to marine shipping, commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and goods in international transit - there will be no market access and national treatment limitations, in six and ten years after accession, respectively.
- **Banking:** With respect to acceptance of deposits and other repayable funds from the public, no market access limitations on commercial presence for internationally reputable banks and specialized banks. Unbound for others. Afghanistan will have the right to impose limits on the amount of monies that can be transferred.

- **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 with: Canada, the European Union, Japan, Korea, Norway, Chinese Taipei, Thailand, Turkey and, the United States.
- On services with: Canada, the European Union, Japan, Korea, Norway, Chinese Taipei and, the United States.

Following the conclusion of all bilateral market access negotiations between interested members and the acceding government, the WTO Secretariat consolidates the results of all concluded, signed and deposited bilateral agreements into a Schedule of Concessions and Commitments on Goods ("Draft Goods Schedule") and a Schedule of Specific Commitments on Services ("Draft Services Schedule"). The Schedules are the "Final Market Access Offers" by the acceding governments which, when adopted, become available to all WTO Members.

Rules Package

On its rules Package, Afghanistan's Accession Working Party Report contains 37 specific commitment paragraphs.

General Commitments related to the Trade Regime

All Afghanistan's STEs will function in a manner consistent with the WTO Agreement.

Afghanistan will apply its pricing policy in a WTO-consistent fashion.

The full package of legislation required for WTO accession will be enacted by Afghanistan before its WTO membership.

Afghanistan's laws and regulations will provide individuals or enterprises affected by any administrative action subject to WTO provisions, the right to appeal such action to a higher authority or to the courts, or other independent tribunal in conformity with WTO obligations.

WTO provisions will be applied uniformly throughout the customs territory of Afghanistan and other territories under its control. When apprised of a situation where WTO provisions are not applied / applied in a non-uniform manner, central authorities of Afghanistan will act to enforce them not requiring affected parties to petition through the courts.

Afghan and foreign natural persons and legal entities will have the right to engage in import and export activities. To become an importer of record, a natural person or a legal entity located abroad will need to, either: (i) enter into a purchase-sale contract with an Afghan legal entity or natural person in Afghanistan; or, (ii) register as a legal person operating in Afghanistan. All laws and regulations relating to the right to import or export goods and all fees, charges or taxes levied on such rights will conform to Afghanistan's WTO obligations.

Investments in Afghanistan will not be a requirement for engaging in foreign trade activities.

Specific Commitments on the Import Regime

Afghanistan will become an Information Technology Agreement participant.

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.

Afghanistan will apply its fees or charges imposed on or in connection with importation and exportation in accordance with Article VIII of the GATT 1994. Specifically, the fees for customs storage and the fees for licenses to import medicines and medical equipment will conform to WTO provisions.

Afghanistan's laws, regulations and other measures relating to internal taxes and charges levied on imports will be applied in full conformity with its WTO obligations.

The 3% fixed tax applied on imports will be eliminated.

The 2% fixed tax applied on imports will be eliminated prior to 1 January 2021.

The Business Receipts Tax (BRT) applied on imports will be replaced with the Value Added Tax (VAT) no later than prior to 1 January 2021. The VAT will be applied in accordance with the WTO Agreement.

Afghanistan will eliminate and will not introduce, re-introduce or apply quantitative restrictions or other non-tariff measures on imports (such as licensing, quotas, bans, permits, prior authorization requirements, licensing requirements, and other restrictions having equivalent effects that cannot be justified under the provisions of the WTO Agreement).

Afghanistan will eliminate its import prohibition on cotton seeds, table salt, powdered salt, gypsum, anhydride, and plasters.

Afghanistan may impose balance-of-payments measures, if necessary, in a WTO-consistent manner.

Afghanistan will apply the [Agreement on Customs Valuation](#) and Decision 4.1 on Valuation of Carrier Media Bearing Software for Data Processing Equipment. It will not use minimum prices or fixed valuation schedules for the valuation of imports.

Afghanistan's laws and regulations on rules of origin will comply with the [Agreement on Rules of Origin](#). Afghanistan Customs Department will provide for an assessment of the origin of the import upon the request of an exporter, importer or any person with a justifiable cause. Requests for such assessments will be accepted before trade in the goods concerned began; the assessments will be binding for three years.

The operation of a preshipment inspection scheme, if introduced, will be in conformity with the WTO Agreement. Charges and fees for preshipment inspection will comply with Article VIII of the GATT 1994. Preshipment entities will establish and maintain appeal procedures.

Afghanistan will administer and apply commercial policy measures provided for in its legislation intended to protect domestic production or otherwise advance national commercial interests in conformity with the relevant WTO Agreements.

Afghanistan will not apply any anti-dumping, countervailing or safeguard measures until it had implemented appropriate WTO-consistent laws. It will only apply such measures in conformity with the relevant WTO provisions.

Export Policies: Afghanistan will eliminate all duties, taxes, fees and charges applied to exports which are not in conformity with Article VIII of the GATT 1994. The 2% fixed tax on exports will be eliminated prior to 1 January 2021.

Industrial Subsidies: Afghanistan will not introduce or maintain prohibited subsidies. It will administer any subsidy programmes in conformity with the [SCM Agreement](#). 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 [TBT Agreement](#) 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 [TRIMS](#)-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 [Agreement on Government Procurement](#) 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.

Services: From 1 January 2021, Afghanistan will eliminate the requirement that mining and hydrocarbon operators in Afghanistan shall provide priority to domestic suppliers. Foreign services suppliers will not be subject to conditions of competition less favourable than those applied to domestic services suppliers.

Afghanistan's licensing procedures and conditions will not act as independent barriers to access the services market. In its licensing procedures and conditions, Afghanistan will specify reasonable timeframes for review and decision by all relevant authorities. Applicants will be able to request licensing without individual invitation. The competent authorities of Afghanistan will inform the applicant whether the application was considered complete under Afghanistan's domestic laws and regulations and, in the case of incomplete applications, provide an opportunity to rectify deficiencies. If an application is terminated or denied, the applicant will be informed in writing and

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](#)

