Agreement ID : SAFTA
Short Name : South Asian FTA

Member Countries

Afghanistan
Bangladesh
Bhutan
India
Maldives
Nepal
Pakistan
Sri Lanka

Total: 8 countries

Agreement on South Asian Free Trade Area

Status : Signed in **2004**. In force since 2006
Scope : Regional
Type : Free Trade Agreement
WTO Notification : Enabling Clause 2008
Agreement text :
http://www.saarc-sec.org/userfiles/saftaagreement.pdf
Other links :
http://www.saarc-sec.org/areaofcooperation/detail.php?activity_id=5
WTO consideration process :
Factual Presentation not distributed

GOODS

Tariffs

Negative list (Sensitive list)

Tariff reduction to 0-5% in 7 years (8 years SLK, 10 years LDC's)

Calls for accelerated reductions; Trade Liberalization Programme in effect since 1/1/2006 except for Nepal (from 1/8/2006) and Sri lanka (16/9/2006).

Rules of Origin

Minimum content 40% (30% for LDC's)

Diagonal cumulation

Contingency Measures

Anti - Dumping : Special treatment to LDC's
Countervailing Duties : Special treatment to LDC's
Safeguards : Allowed, maximum 3 years

Standards : Calls for harmonization

Notes :

No provisions for coverage of agricultural goods.Afghanistan ratified the SAFTA protocol on the 4th of May 2011.

SERVICES

WTO Notification (GATS Art. V) : Not Notified
Date of notification :
Consideration Process : Not Considered

Liberalization Approach : Positive Lists

Modes Covered

Cross - Border Supply : **Yes**
Consumption Abroad : **Yes**
Commercial Presence Abroad : **Yes**
Movement of Natural Persons : **Yes**

Specific Chapters on

Financial services : **Yes**
Movement of natural persons : **Yes**

Specific Sectors Excluded

Air transport : **Yes**

Public Sectors carve-out : GATS-like (Article I:3(b))

Most Favoured Nation : Not featured

National Treatment : Binding

Market Access : Binding

Domestic Regulation : Binding but subject to legitimate expectations (GATS-like)

Subsidies covered by services disciplines : Not covered

Denial of benefits for commercial presence : Article 17 Denial of Benefits

Notes :

SAARC Agreement on Trade in Services signed 29 April 2010. GENERAL UNDERSIANDING ONPRINCIPLES AND GUIDELINES FOR THE NEGOTIATIONS in SATIS (p.23)stipulates Positive list approach and request and offer approach of negotiations.

Link to schedules :

http://commerce.nic.in/trade/SAARC%20Agreement%20on%20Trade%20in%20Services%20SATS.pdf

INVESTMENT

Scheduling Approach :

Definition of investment :

Most Favoured Nation :

National Treatment :

Fair and Equitable Treatment :

Expropriation :

Board of Directors and executive personnel :

Invester - State arbitration : No

Denial of Benefits :

Additional BIT exists between the parties : No

BIT list I :

Status:

BIT list II :

Status:

Notes :

Link to schedules :

TRADE FACILITATION

Customs procedures : **Yes** Article 8 of the Agreement
Customs valuation : **No**
Trade regulations publication and administration : **No**
Use of ICT : **No**
Mobility of business people : **No**
Freedom of transit : **No**
Transport and logistics : **No**
Trade finance : **No**

OTHER AREAS

Government Procurement : **Yes**
Investment : **Yes**
Competition Policy : **Yes**
Intellectual Property : **No**
Dispute Settlement : **Yes**
Labor Mobility : **Yes**
Labor and Environmental Standards : **No**
Technical cooperation : **No**
Institutional mechanism : **No**

Notes :
This agreement supercedes Agreement on SAARC Preferential Trading Arrangement (SAPTA) - Articles 22 and 23, which was signed in 1993 and was in force since 1995, notifeied to the WTO in 1997 by Enagling Clause. membership of Afghanistan needs to go throgh

RULES OF ORIGIN

Cumulation
diagonal

Specific Process
n.a.
Heading Change
n.a.
De Minimis
n.a.
Minimum Content
40% (30% for LDC's)

Drawback
n.a.
HTTP Link
http://www.saarc-sec.org/uploads/document/Annex-IV%20of%20SAFTA%20Agreement%20-%20SAFTA%20Rules%20of%20Origin_20100413015905.pdf
Notes :
Under the agreement, Members are required to lower their customs duties to between 0-5 percent by 2012 for developed members while least developed country Members are required to do the same by 2018. It is also decided that services will be included in the framework of SAFTA in a bid to boost regional economic integration. SAFTA is to be fully operationalized by 2016.