



Committee on Regional Trade Agreements
Dedicated Session on Regional Trade Agreements

FACTUAL PRESENTATION

COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN INDIA AND THE
UNITED ARAB EMIRATES
(GOODS AND SERVICES)

Report by the Secretariat

This report, prepared for the consideration of the Comprehensive Economic Partnership Agreement between India and the United Arab Emirates, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

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Key Facts

Parties to the Agreement:	India and the United Arab Emirates
Date of Signature:	18 February 2022
Date of Entry into Force:	1 May 2022
Date of Notification:	22 September 2022
Full implementation:	2031

1 TRADE ENVIRONMENT

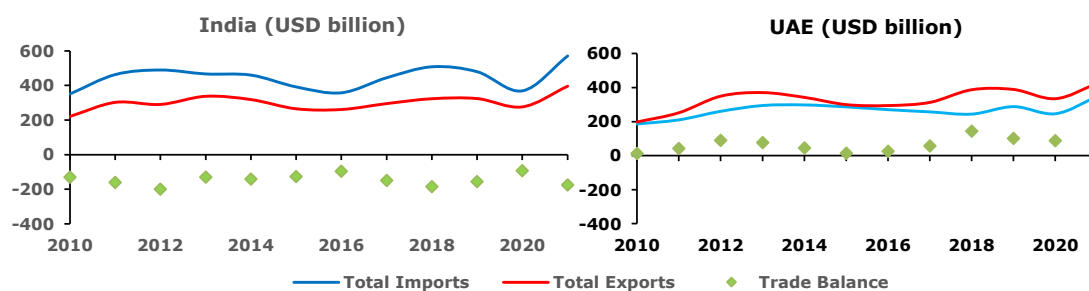
1.1. The Comprehensive Economic Partnership Agreement (hereafter "the Agreement") between India and the United Arab Emirates (UAE) is one of 18 RTAs notified by India and currently in force, and one of 6 RTAs notified by the UAE and currently in force.¹ The size and composition of the Parties' economies differ significantly. In 2021, India had a population of 1.5 billion and a GDP of USD 3,177.9 billion, whereas the UAE, with a population of 9.8 million, recorded a GDP of USD 410 billion.

1.1 Merchandise trade

1.2. In 2021, India's total merchandise trade amounted to USD 968.2 billion, with exports valued at USD 395.4 billion and imports at USD 572.9 billion. India was ranked as the 14th largest exporter and the 8th largest importer of global merchandise, accounting for 1.8% of global exports and 2.5% of imports. In comparison, the UAE's total merchandise trade reached USD 772.2 billion, with exports totalling USD 425.2 billion and imports USD 347.5 billion. The UAE was the 13th largest exporter and importer of global merchandise, corresponding to 1.9% of global exports and 1.5% of imports. India's trade primarily consisted of manufactured products, accounting for 70.2% of its total exports and 52.1% of imports. In case of the UAE, exports were dominated by fuels and mining products, representing 56.9% of its total exports, while manufactured products constituted 63.3% of its total imports.²

1.3. Chart 1.1 shows the global trade trends of the Parties from 2010 to 2021. India consistently maintained a trade deficit, while the UAE had a surplus for most of the period.

Chart 1.1 India-UAE: Global merchandise trade (2010-2021)



Source: UNSD, Comtrade.

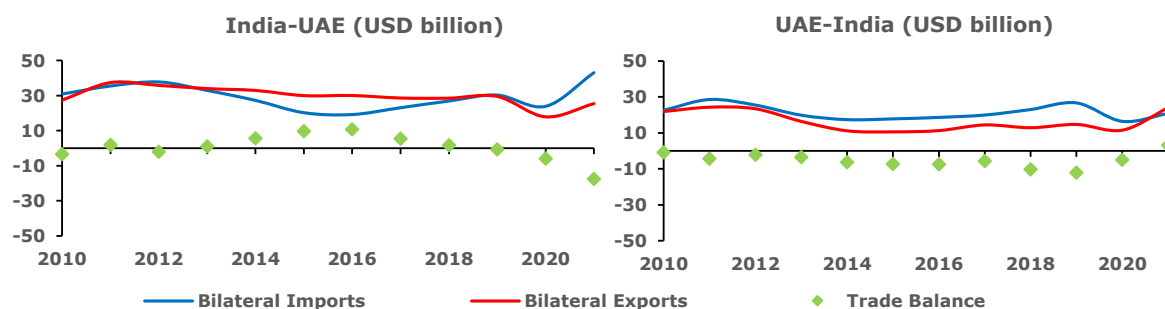
1.4. In their bilateral trade, India was the UAE's 3rd largest source of imports and the 2nd largest destination for exports, accounting for 6% of total imports and 5.6% of exports. Similarly, the UAE was India's 3rd largest source of imports and destination for exports, representing 7.6% of total imports and 6.4% of exports. Chart 1.2 further illustrates the bilateral trade trends between the Parties from 2010 to 2021. India maintained a trade surplus with the UAE until 2018, except for

¹ Based on rtais.wto.org, as of September 2023.

² Data extracted from the WTO Trade Profiles 2022, as of July 2023, using 2020 reported data. Ranks in world trade and the shares exclude intra-EU trade.

small trade deficits recorded in 2010 and 2012. Since then, it has had deficits in 2019 and 2020. Data for the UAE indicates a trade deficit with India from 2010 to 2020 but a surplus in 2021.³

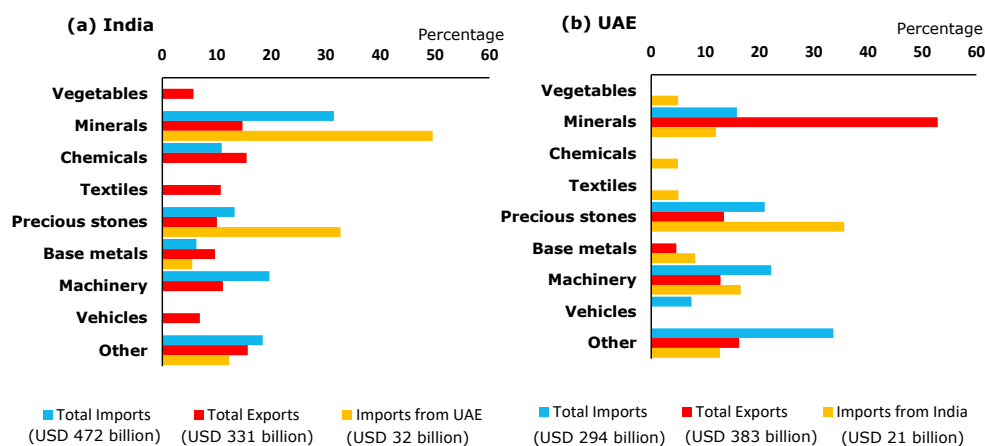
Chart 1.2 India-UAE: Bilateral merchandise trade (2010-2021)



Source: UNSD, Comtrade.

1.5. Chart 1.3 below presents a breakdown of the product composition of average imports and exports in 2019-2021 for merchandise trade between the Parties and globally, based on Harmonized System (HS) Sections. The data shows the complementarities in trade between the Parties. During the period surveyed, India's primary export product categories, including chemicals, mineral products, machinery, textiles, and precious stones, accounted for an average of 62% of its total exports. The same product categories also constituted 74% of the UAE's imports from India. In comparison, the UAE's main export product categories, such as mineral products, machinery, precious stones, and base metals, accounted for 84% of its total exports. Except for machinery, these accounted for 88% of India's imports from the UAE.

Chart 1.3 India-UAE: product composition of merchandise trade, by HS Section, annual average (2019-2021)



Note: The HS sections having less than 5% of the share of trade are shown under the 'Other' category in the Chart.

Source: Based on data from UNSD, Comtrade database.

1.2 Trade in services and investment

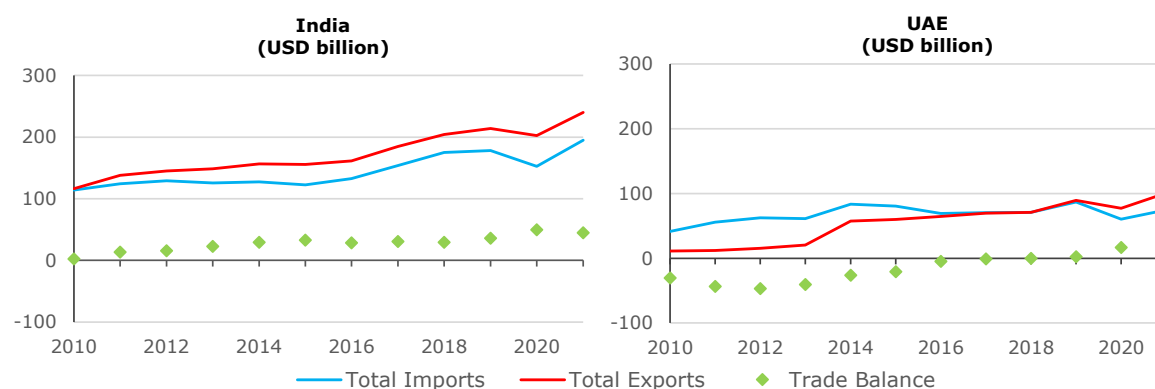
1.6. In 2021, India's total commercial services trade was valued at USD 434.9 billion (exports of USD 239.9 billion and imports of USD 195 billion), and it was the 5th largest exporter and 7th largest importer in the world. In comparison, the UAE's total trade in commercial services was valued at USD 175.6 billion (exports of USD 100.8 billion and imports of USD 74.7 billion) and it ranked 11th

³ According to India, the discrepancies in data can be attributed to the variance in accounting practices between the Parties. Particularly, India adheres to the financial year accounting system, commencing on 1st of April, and concluding on 31st of March of the subsequent year.

largest for global exports and imports. Both Parties' trade is dominated by 'other commercial services', 83.8% of total exports and 49.7% of imports for India, and 41.3% and 54.2% of exports and imports, respectively, for the UAE.⁴

1.7. Chart 1.4 shows the Parties' global trade trends in commercial services during 2010-2021. Throughout this period, India was a net exporter of commercial services globally, while the UAE had a growing deficit until it began declining in 2013 as exports rose. Since 2020 it has had a surplus in its commercial services balance.

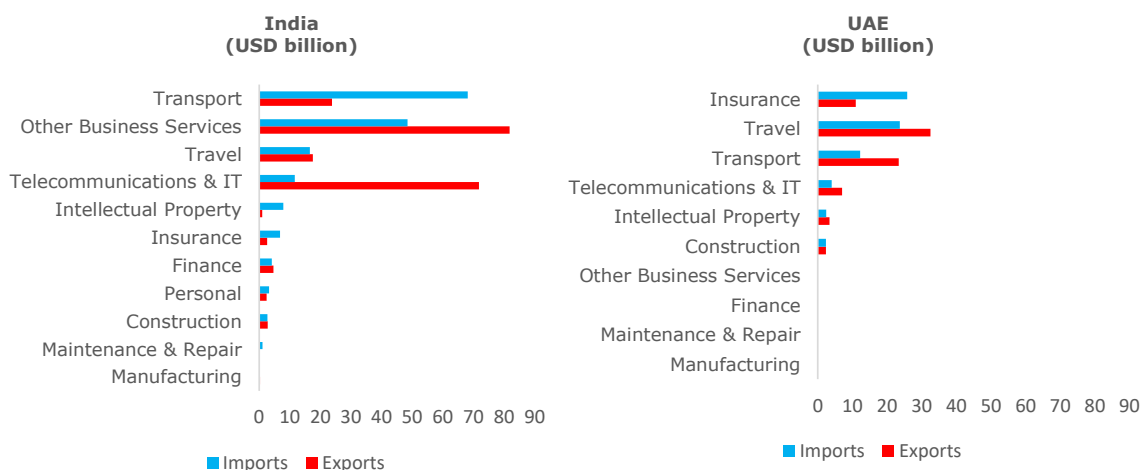
Chart 1.4 India-UAE: Trade in commercial services with world (2010-2021)



Source: WTO Statistics database.

1.8. Chart 1.5 further illustrates the Parties' composition of global services trade by sector averaged for the period 2019-2021. India's total average trade in services is dominated by other business services followed by transport, and telecommunications and IT services, while the UAE's total services trade is dominated by travel followed by insurance and transport services. Data on bilateral trade in services are not available.

Chart 1.5 India-UAE: Commercial services trade with world, by service sectors (Average 2019-2021)



Note: UAE has no trade data on Manufacturing, Maintenance and repair, Finance, and Other business services (2019-2021); and Personal, cultural and recreational services (2019). No export data on Insurance and pension services (2019).

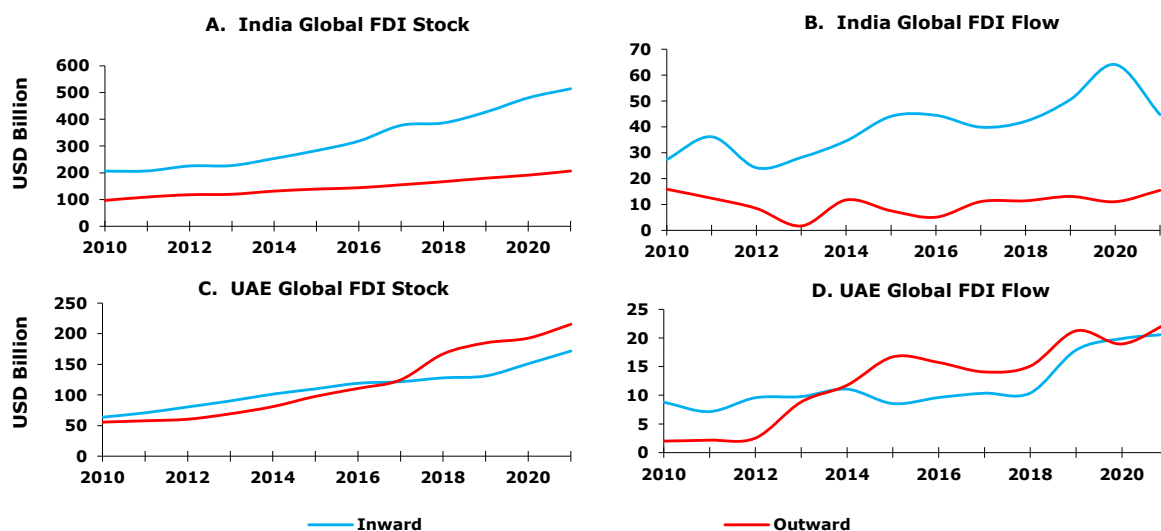
Source: WTO Statistics Database.

1.9. Chart 1.6 below presents the Parties' foreign direct investment (FDI) stocks position and annual flows during 2010-2021. India has been a net FDI recipient in terms of both stocks and flows

⁴ Data extracted from the WTO Trade Profiles 2022, as of July 2023, using 2010 reported data. Ranks in world trade and the shares exclude intra-EU trade.

throughout the period with net stocks increasing. The UAE was a net FDI recipient until 2017, since when strong growth in outward investment has resulted in it becoming a net investor.

Chart 1.6 India-UAE: FDI stock and flow with world (2010-2021)



Source: UNCTADStat.

2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

2.1 Background information

2.1. The Agreement was signed by the Parties on 18 February 2022 and entered into force on 1 May 2022. The Parties notified the goods and services aspects of the Agreement to the WTO on 22 September 2022 under Paragraph 4(a) of the Enabling Clause and Article V:7(a) of the GATS (document WT/COMTD/RTA24/N/1 and S/C/N/1110), respectively.

2.2. The Agreement shall remain in effect indefinitely unless one Party notifies the other that it intends to terminate the Agreement.⁵ It can also be amended following procedures in the Parties' respective internal legislation. Each Party must notify approval of the amendments through diplomatic channels. The amendment to the Agreement shall enter into force on the first day of the second month following the latter of the two notifications (Article 18.4 and 18.5).

2.3. The text of the Agreement is available, together with its related Annexes, on the following official websites:

India: <https://commerce.gov.in/international-trade/trade-agreements/>

2.4. The Agreement contains 18 Chapters and 16 Annexes. It also has side letters on energy resources sector, and tariff rates quotas (TRQs). The annexes, footnotes, and side letters shall constitute an integral part of the Agreement (Article 18.1). Box 2.1 provides the structure of the Agreement.

⁵ See Section 5.4 (Accession and Withdraw).

Box 2.1 Structure of the Agreement

	Preamble
Chapter 1	Initial Provisions and General Definitions
Chapter 2	Trade in Goods
Chapter 3	Rules of Origin
Chapter 4	Sanitary and Phytosanitary Measures
Chapter 5	Technical Barriers to Trade
Chapter 6	Customs Procedures and Trade Facilitation
Chapter 7	Trade Remedies
Chapter 8	Trade in Services
Chapter 9	Digital Trade
Chapter 10	Government Procurement
Chapter 11	Intellectual Property
Chapter 12	Investment and Trade
Chapter 13	Micro, Small, and Medium-sized Enterprises (SMEs)
Chapter 14	Economic Cooperation
Chapter 15	Dispute Settlement
Chapter 16	Exceptions
Chapter 17	Administration of the Agreement
Chapter 18	Final Provisions
	Annexes
2A	Schedule of Specific Tariff Commitments of India on Trade in Goods (Referred to in Chapter 2)
2B	Schedule of Specific Tariff Commitments of the UAE on Trade in Goods (Referred to in Chapter 2)
3A	Minimum Required Information (Referred to in Chapter 3)
3B	Product Specific Rules (Referred to in Chapter 3)
3C	Issuing Authorities of the Government of India (Referred to in Chapter 3)
3D	Issuing Authorities of the UAE (Referred to in Chapter 3)
3E	Format of the Certificate of Origin under the Agreement (Referred to in Chapter 3)
5A	Bilateral Cooperation on Pharmaceutical Products (Referred to in Chapter 5)
8A	Schedule of Specific Commitments of India on Trade in Services (Referred to in Chapter 8)
8B	Schedule of Specific Commitments of the UAE on Trade in Services (Referred to in Chapter 8)
8C	Telecommunication Services (Referred to in Chapter 8)
8D	Movement of Natural Persons Supplying Services (Referred to in Chapter 8)
10A	Schedule of India (Referred to in chapter 10)
10B	Schedule of the UAE (Referred to in chapter 10)

15A	Code of Conduct for Panellists (Referred to in Chapter 15)
15B	Rules of Procedure for the Panel (Referred to in Chapter 15)
Associated documents	
Side letters on energy resources sector of the UAE, and TRQs of India.	

Source: WTO Secretariat based on the Agreement.

3 PROVISIONS ON TRADE IN GOODS

3.1 Import duties and charges, and quantitative restrictions

3.1.1 General provisions

3.1. Chapter 2 of the Agreement governs trade in goods between the Parties. The Parties will eliminate and/or reduce customs duties on each other's originating goods as per the tariff liberalization schedules in Annexes 2A and 2B (Article 2.4). Any reductions in MFN duties will be applied to the other Party as long as they are lower than the tariff commitments under the Agreement. Duty-free entry under certain conditions is granted for commercial samples of negligible value and printed advertising materials as well as for goods that are returned or re-entered after undergoing repair or alteration (Articles 2.7 and 2.8 respectively).

3.2. The Parties grant national treatment to each other's goods in accordance with Article III of the GATT, including its interpretative note, which is incorporated into and made an integral part of the Agreement (Article 2.3).

3.3. Non-tariff barriers shall not be applied in their bilateral trade except as otherwise provided under related provisions in the WTO Agreements or in accordance with other provisions of the Agreement. If such measures are applied, transparency and timely notification of any new or modified measures are required. Each Party must promptly publish its laws, regulations, procedures, and administrative rulings related to non-tariff measures. If a Party believes that a non-tariff measure is an unnecessary obstacle to trade, it can nominate it for review by the WTO Committee on Trade in Goods, with the aim of finding a mutually agreed solution. The review does not affect the Parties' rights under the Dispute Settlement chapter (Article 2.16).

3.4. Upon request from a Party, the Parties shall consult to discuss accelerating or expanding the elimination of customs duties outlined in their respective tariff liberalization schedules. Additional commitments to expedite customs duty elimination or include additional products in the schedules will supersede previously agreed duties and product lists. Furthermore, a Party may unilaterally accelerate or broaden duty elimination, but it retains the right to impose the duty rate or staging categories specified in their Schedules at a later time as envisaged by the Schedule.

3.5. On the prohibition or restriction of bilateral imports (and exports), Article XI of GATT 1994, including its interpretive notes, is incorporated into the Agreement, *mutatis mutandis* (Article 2.9).

3.6. Article 2.11 incorporates Article VII of GATT 1994 and the Agreement on Customs Valuation which shall govern the provisions on customs valuation.

3.7. Article 2.10 requires the Parties to implement transparent and predictable import licensing procedures in accordance with the WTO's Import Licensing Agreement.

3.1.2 Liberalization of trade and tariff lines

3.8. Unless otherwise provided for in the Agreement, each Party shall eliminate or reduce its customs duties on originating goods of the other Party according to the terms and conditions set forth in its Schedule in Annexes 2A (India) and 2B (UAE). Tariff liberalization in India involves either

the full elimination of tariffs or reductions to the MFN rates, whereas for the UAE, it involves the full elimination of tariff rates only. The liberalization process is subject to a transition period, with full implementation scheduled to end in 2031 for both Parties.

3.1.3 Liberalization schedule

3.9. In the following sections, unless explicitly stated, the analysis of tariffs and trade liberalization is based on the data provided by India in the 2022 version of the Harmonized System (HS). For the UAE, the data is sourced from the ITC, the WTO-IDB, and Annex 2B of the Agreement in the HS 2017 version. The computation of the number of tariff lines and average tariffs excludes tariff lines subject to in-quota rates. When calculating the average tariff, specific rates of duty are excluded, and only the *ad valorem* part of alternate rates is included. The scope of import coverage is from HS Chapters 1 to 97.

3.1.3.1 India

3.10. Table 3.1 below presents India's commitment to eliminate and/or reduce tariffs on its imports from the UAE under the Agreement. In 2022, 2.4% of India's tariff (298 lines) was duty-free on an MFN basis, which corresponds to an average of 20.6% of its imports from the UAE during 2019-2021.⁶ Upon the Agreement's entry into force in 2022, an additional 7,596 tariff lines became duty-free, corresponding to 49.4% of imports from the UAE during 2019-2021. India will further liberalize 1,974 tariff lines in 2026 (7.2% of imports) and 466 tariff lines by 2026 and 2031 (1.7% of imports). By the end of implementation in 2031, 84.7% of India's tariff (10,334 lines) will be duty-free, corresponding to 78.9% of its imports from the UAE. The remaining 15.3% (1,873 lines) of the tariff will still be dutiable, corresponding to 21.1% of its imports from the UAE. India will also reduce tariffs on 633 lines (5.2% of the tariff) for imports from the UAE. During 2019-21, 1.5% of India's imports from the UAE entered under these lines.

Table 3.1 India: Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Tariff lines in India's tariff schedule		India's imports from UAE (2019-2021)	
	Number	%	Value (USD million)	%
MFN 2022	298 ^a	2.4	6,526.8	20.6
2022	7,596	62.2	15,609.7	49.4
2026	1,974	16.2	2,287.7	7.2
2028	229	1.9	19.2	0.1
2031	237	1.9	510.2	1.6
Remain dutiable	1,873	15.3	6,668.1	21.1
Out of which				
Reduced rate	633	5.19	459.7	1.5
Excluded/TRQs	1,240	10.16	6208.4	19.6
TOTAL	12,207	100.0	31,621.8	100.0

a Out of the 298 tariff lines, 10 lines are excluded from the Agreement.

Source: Indian Authorities.

3.11. Table 3.2 further elaborates on India's tariff elimination and reduction commitments by HS Sections with corresponding share of imports from the UAE during 2019-21. As a result of the Agreement, all products from HS Sections XI (textiles) and XIX (arms and ammunition) will be fully liberalized, while the percentage of tariff lines eliminated and/or reduced⁷ for other Sections, subject to duties, ranges from 51% (VII) to 99% (IX). The average tariff for these Sections ranges from 4.5% in HS Section XV (base metals) to 43.2% in Section II (vegetables). A large portion of India's imports from the UAE during 2019-21 falls under HS Sections V (mineral products) and XIV (precious

⁶ India's applied MFN tariff in 2022 consisted of 12,207 lines at the eight-digit level (HS 2022). 94.2% of the tariff rates were *ad valorem* and 730 lines had non-*ad valorem* tariffs of which 4 lines with specific duties, and 726 with mixed duties.

⁷ The products subject to reduced tariffs enjoy an average margin of preference (based on MFN rates in 2022) ranging from 41.3% to 62.9% depending on the Section.

stones), accounting for 48.9% and 33.3% of India's total imports from the UAE, respectively.⁸ While imports of mineral products are almost fully liberalized under the Agreement, significant amounts of imports of precious stones from the UAE during 2019-21 remain subject to duties.

Table 3.2 India: Tariff elimination under the Agreement, by HS Section with corresponding share of imports from the UAE

HS Section	MFN 2022			Lines under the Agreement						Average Dutiable Tariff	% of total imports from UAE (2019-21)		
	Avg. Tariff (%)	No. of lines	Duty free lines	Duty Free				Remain Dutiable			Duty free		Remain Dutiable
				2022	2026	2028	2031	Excluded/ TRQs	Reduced		MFN	Agreement*	
I	30.1	536	2	317	105	4		62	46	27.2		0.0	0.0
II	36.4	642	28	59	249			181	125	43.2	0.0	0.5	0.5
III	43.2	126			112			2	12	17.1		0.1	0.0
IV	44.4	432		101	180			92	59	42.2		0.0	0.1
V	5.0	361	8	229	95		6	21	2	4.5	0.0	48.8	0.1
VI	8.6	2,383	10	1,834	200		70	178	91	8.9	0.0	2.0	1.0
VII	10.4	596		142	85		34	292	43	10.7		0.3	2.8
VIII	10.2	134	21	113							0.0	0.0	
IX	8.9	282		268	13			1		5.0		0.0	
X	9.3	270	10	139	3		14	16	88	5.8	0.0	0.3	0.1
XI	14.3	1,998	4	1,994								0.1	
XII	25.1	105		36	12	30		27		35.0		0.0	0.0
XIII	11.5	261		178	6		12	7	58	8.6		0.1	0.0
XIV	9.5	123	7	31	12		35	38		16.8	18.3	1.1	13.9
XV	8.4	1,302	37	586	412	159	64	19	25	4.5	1.8	1.5	2.3
XVI	8.2	1,694	134	1,120	267	10	2	129	32	11.8	0.2	1.5	0.1
XVII	22.7	334	10	132	9	26		127	30	32.0	0.3	1.8	0.0
XVIII	9.0	345	22	188	104			31		8.2	0.0	0.2	0.0
XIX	10.0	20		20									
XX	17.9	238	2	87	110			17	22	19.0		0.0	0.0
XXI	8.8	25	3	22									
Total	14.3	12,207	298	7,596	1,974	229	237	1,240	633	21.2	20.6	58.3	21.1

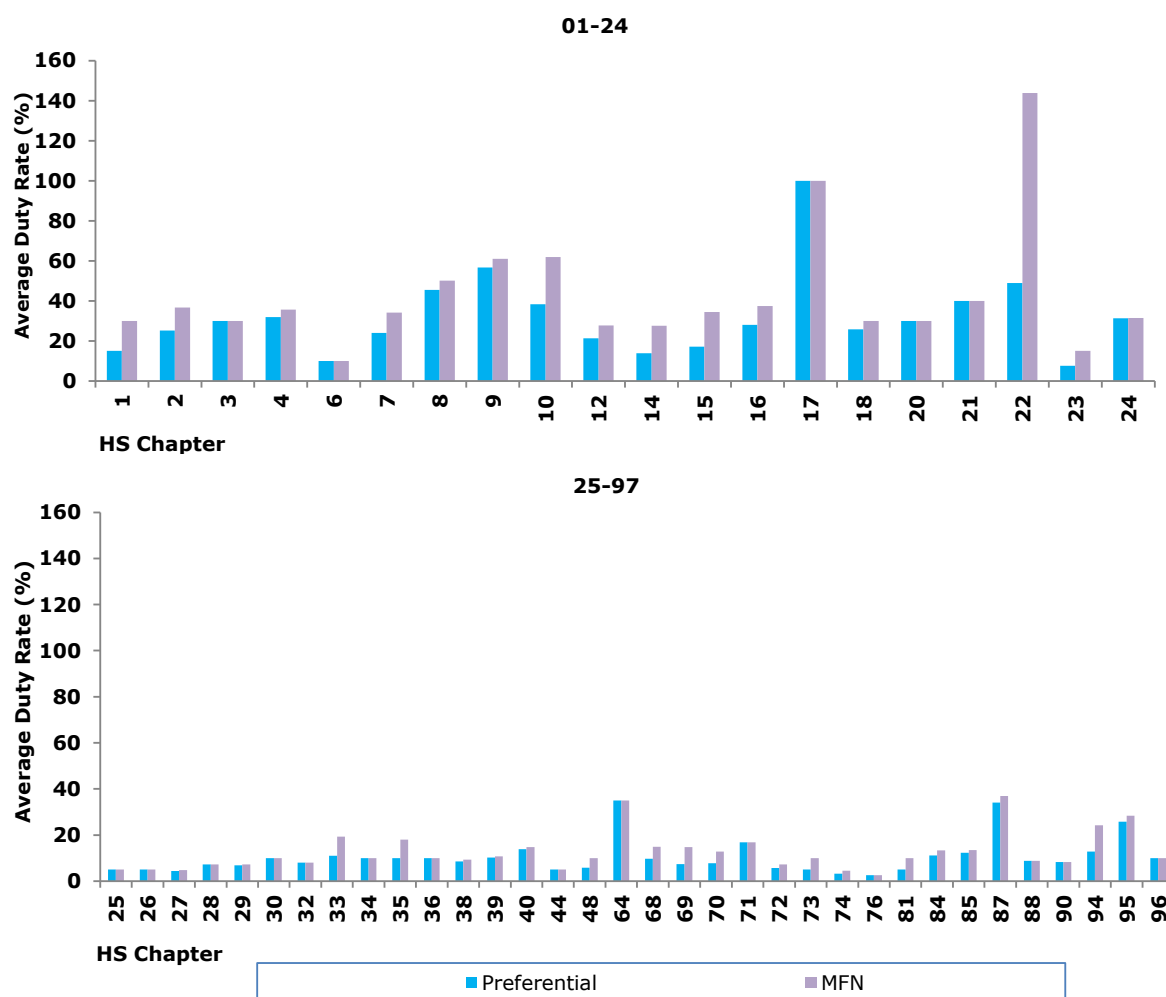
* Duty-free under the Agreement at the end of implement period.

Note: '0.0%' of import indicates a negligible value that has been rounded to zero.

Source: Indian Authorities

3.12. Chart 3.1 below presents average tariffs (MFN tariffs 2022 and preferential tariffs at the end of implementation), by HS Chapter for 1,873 tariff lines, which remain dutiable for imports from the UAE. In agriculture (Chapters 1-24), average preferential rates are lower than their corresponding MFN rates, for all Chapters except for Chapters 3, 6, 17, 20, and 21, for which MFN rates apply. The difference between preferential and MFN average rates is highest in Chapters 1, 14, 15, 22, and 23, whereas the highest average MFN and preferential rates are found in Chapters 22 (beverages and spirits), 17 (Sugar), 10 (cereals), and 9 (Coffee). Regarding industrial products, the average preferential rates are lower than their corresponding MFN rates for all but Chapters 25, 26, 28, 30, 34, 44, 64, 76, and 90, for which the MFN rates apply. Differences between preferential and MFN rates are highest in Chapters 69, 73, and 81 while higher average MFN and preferential rates are found in HS Chapters 64 (footwear) and 87 (vehicles).

⁸ Mineral products and precious stones are also the top major exports items of the UAE (See Chart 1.3)

Chart 3.1 India: Average of dutiable rates, by HS Chapter

Note: The MFN rates in 2022 are assigned as preferential duty rates for the products excluded from tariff liberalization under the Agreement.

Source: Indian Authorities

3.1.3.2 UAE

3.13. Table 3.3 below summarizes the UAE's commitment to eliminate tariffs on its imports from India under the Agreement. In 2021, 11.2% of the UAE's tariff (848 lines) was duty-free on an MFN basis, which corresponded to 21.9% of its average imports from India during 2019-2021.⁹ Upon entry into force of the Agreement in 2022, an additional 5,241 tariff lines became duty-free, corresponding to 62.6% of its imports from India. The UAE will further liberalize 1,084 lines in 2025 (8.7% of imports), and 180 lines (5.8% of imports) in 2031. At the end of the implementation period, 97.1% of the UAE's tariffs (3,358 lines) will be duty-free, corresponding to 99% of its imports from India in 2019-21. The remaining 222 lines (2.9% of tariffs) are subject to duties for imports from India (representing 1% of imports).

⁹ The UAE's applied MFN tariff in 2021 consisted of 7,580 lines at the eight-digit level (HS 2017). 98.6% of the tariff rates were *ad valorem* and 103 lines had non-*ad valorem* tariffs of which 34 lines were subject to import prohibition and 69 lines were marked as special products.

Table 3.3 UAE: Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Tariff lines in UAE's tariff schedule		UAE's imports from India (2019-2021)	
	Number	%	Value (USD million)	%
MFN 2021 ^a	848	11.2	3,611.5	21.9
2022	5,241	69.1	10,332.5	62.6
2026	1,089	14.4	1,444.0	8.7
2031	180	2.4	953.4	5.8
Remain dutiable	222 ^b	2.9	165.9	1.0
TOTAL	7,580	100.0	16,507.4	100.0

a Since the MFN tariffs for the year of entry into force of the Agreement were not available, the MFN 2021 is used for analysing the tariff liberalization of the UAE under the Agreement.

b of 222 tariff lines, 99 lines are excluded from the Agreement, 54 lines are subject to import prohibition, and 69 lines are reported as special goods with no rates.

Source: WTO estimates based on data from the ITC, WTO-IDB, and Annex 2B of Agreement.

3.14. Table 3.4 further elaborates on the UAE's tariff elimination commitments by HS Sections. As a result of the Agreement tariffs in a number of HS Sections¹⁰ will be fully liberalized, while the percentage of tariff lines eliminated for other Sections ranges from 87% (I) to 99.9% (VI). The average tariffs for these Sections, subject to duties, are 5%. Tariffs in HS Sections accounting for a significant share of UAE imports from India are to be almost fully liberalized. These include HS Sections XIV (precious stones), XVI (machinery), V (minerals), XV (base metals), and II (vegetables), representing 31.7%, 15.8%, 10.3%, 9.8%, and 6.3% of the UAE's total imports from India, respectively.¹¹

Table 3.4 UAE: Tariff elimination under the Agreement, by HS Section with corresponding share of imports from India.

HS Section	MFN 2021			Lines under the Agreement				Average Dutiable Tariff	% of total import from India (2019-21)		
	Avg. Tariff (%)	No. of lines	Duty free lines	Duty Free			Remain Dutiable		Duty free		Remain dutiable
				2022	2026	2031			MFN	Agree- ment*	
I	3.4	484	153	254	14		63 ^{ab}	5.0	1.5	0.5	0.3
II	3.0	467	185	270			12 ^a	^a	4.6	1.7	0.0
III	5.0	63		41	16		6 ^b	^b		0.1	
IV	9.4	468	19	327	64		58 ^{ab}	a/b	0.7	1.0	0.3
V	5.0	215		209			6 ^a	^a		10.3	
VI	4.5	1,263	133	950	173	6	1 ^a	^a	1.1	4.4	
VII	5.0	270		175	90		5 ^a	^a		2.4	0.0
VIII	5.0	86		71	11		4 ^b	^b		0.1	
IX	4.9	227	4	223					0.0	0.2	
X	4.1	195	37	82	56	12	8	5.0	0.1	1.1	0.3
XI	5.0	951		948	3					5.6	
XII	5.0	74		72	2					0.4	
XIII	4.9	228	3	84	125	12	4 ^a	^a	0.0	1.4	0.0
XIV	3.2	65	23	42					3.7	28.0	

¹⁰ Including HS Sections IX (articles of wood), XI (textiles), XII (footwear), XIV (precious stones), XVII (vehicles), XVIII (optical), XIX (arms and ammunition), XX (miscellaneous), and XXI (works of art).

¹¹ Mineral products, machinery, and precious stones are also among India's top 5 global export items (See Chart 1.3).

HS Section	MFN 2021			Lines under the Agreement				Average Dutiable Tariff	% of total import from India (2019-21)		
	Avg. Tariff (%)	No. of lines	Duty free lines	Duty Free			Remain Dutiable		Duty free		Remain dutiable
				2022	2026	2031			MFN	Agree- ment*	
XV	5.0	750		398	243	62	47	5.0		9.6	0.2
XVI	3.8	979	226	368	289	88	8 ^b	^b	10.0	5.8	0.0
XVII	4.5	260	27	230	3				0.0	3.3	
XVIII	4.3	285	38	247					0.1	0.4	
XIX	5.0	23		23						0.0	
XX	5.0	216		216						0.6	
XXI	5.0	11		11						0.1	
Total	4.7	7,580	848	5,241	1,089	180	222	5.0	21.9	77.1	1.0

* duty-free under the Agreement at the end of implement period.

a contains prohibited lines

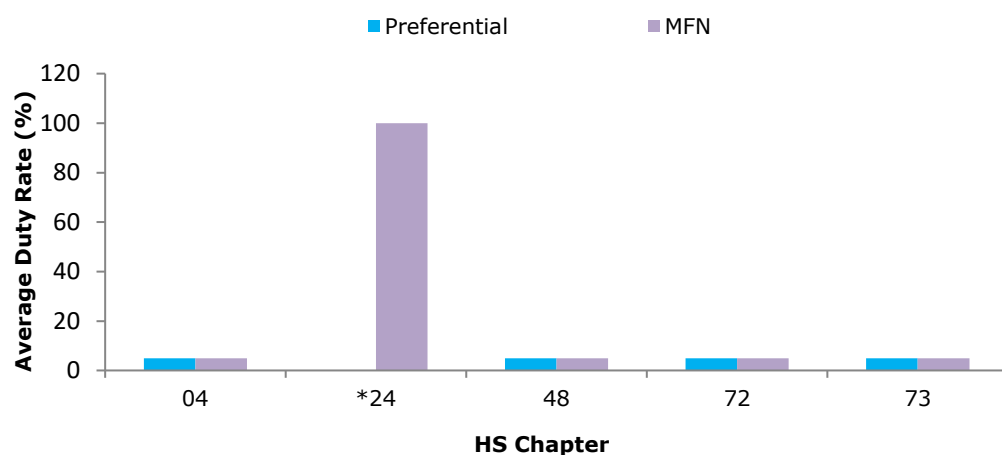
b contains products under Special goods

Note: '0.0%' of import indicates a negligible value that has been rounded to zero.

Source: WTO estimates based on data from the ITC, WTO-IDB, and Annex 2B of Agreement.

3.15. Out of the 222 lines remaining dutiable, 99 are subject to MFN rates while the others are either subject to import prohibitions or marked as special products, with no rates.

Chart 3.2 UAE: Average of dutiable rates, by HS Chapter



* All remaining dutiable lines under the Agreement indicated as prohibited.

Note: HS Chapters containing dutiable lines that are not displayed in the Chart are subject to either Prohibited or Special Product for both MFN and Preferential duties. These Chapters include 1-2, 5, 9, 12-13, 15-18, 20, 22-25, 29, 40-41, 68, and 85.

The MFN rates in 2021 are assigned as preferential duty rates for the products excluded from tariff liberalization under the Agreement.

Source: WTO estimates based on data from the ITC, WTO-IDB, and Annex 2B of Agreement.

3.1.4 Tariff rate quotas (TRQs)

3.16. India maintains TRQs on 10 categories of products (31 lines at the national tariff line level), including for polyethylene; ethylene; polymers of ethylene; polypropylene; propylene copolymers; polymers of propylene; polymers of vinyl chloride; non-monetary gold powder; articles of jewellery of gold; and copper weld wire including other wire of refined copper. The in-quota rates are either

reduced or eliminated following the tariff reduction schedules, while the quota quantities are to be increased over the implementation period. The out-of-quota rates for these products are the current applied MFN duty. Further details of the TRQs maintained by India under the Agreement, including quota volumes, in and out of quota rates and corresponding MFN rates, as well as products subject to MFN TRQs, are provided in Annex 2.

3.17. India agrees, through side letters¹², to administer in a transparent, timely, and responsive manner the TRQs under the Agreement, ensuring minimal trade burdens. Upon request, the Parties shall consult through the Committee on Trade in Goods on any TRQ administration matters. Furthermore, after ten years of the Agreement's entry into force, they shall jointly review India's TRQ implementation to accelerate liberalization and improve market access. The review shall consider eliminating TRQs and tariffs, among others. India confirms that the administration period for the TRQs runs from 1 April to 31 March each year.

3.18. The UAE does not apply TRQs under the Agreement.

3.2 Rules of origin

3.19. Rules of origin criteria are laid down in Chapter 3 of the Agreement. A product shall be deemed as originating in a Party and shall be eligible for preferential treatment provided it:

- (a) is wholly obtained or produced in the territory of the Party as per Article 3.3 (wholly obtained or produced product), or
- (b) has undergone sufficient working process or production as per the product specific rules (PSR) in Annex 3B of the Agreement, which are:
 - i. **Change in tariff classification (CTC)** which requires the transformation of a product into a different HS classification, mostly at the HS heading (4-digit) and subheading (6-digit) levels. For a limited number of products, the CTC requirement is at the Chapter level.
 - ii. **Value-added** criteria requiring that a particular proportion of a product's final value be added in the exporting Party. The value-added criteria vary so where the CTC is required at the chapter and heading levels, the threshold is 40%, while for CTC at the subheading level, it ranges from 3% to 45%.
 - iii. **Specific processing rules** apply at a particular stage of the production process mainly to some silver and gold products; bars, rods, and refined copper; and wire of refined copper.

3.20. Under Article 3.4 non-originating materials that do not meet either the wholly obtained or CTC criteria shall be deemed originating if: (a) the total value of the product does not exceed 10% of the F.O.B. or ex-works price; and (b) for textiles and clothing under HS chapters 50-63, the weight of the non-originating material is less than 7% of the total weight of the materials used in production or does not exceed 10% of the F.O.B. or ex-works price.

3.21. Article 3.5 lays down a list of minimal operations and processes that do not confer origin. In addition, Article 3.6 states that a product cannot be considered as an originating product solely because of dilution with water or a substance that doesn't significantly change its characteristics. Furthermore, if a production or pricing practice is proven to be intended to bypass the regulations outlined in the Chapter 3, the product will not be considered originating.

3.22. Bilateral cumulation between the Parties is permitted under Article 3.7, provided that the production process of a product in an exporting Party goes beyond the minimal operations and processes referred to in Article 3.5.

¹² Side letters exchanged on 18 February 2022.

3.23. Articles 3.8 through 3.10 contain disciplines on how certain materials (the packages, packing material and containers; accessories, spare parts and tools and sets; indirect material/neutral elements) shall be treated or valued when determining the origin of the goods, and Article 3.11 contains disciplines on accounting segregation.

3.24. Preferential treatment may only be provided for products transported directly between the Parties. However, transit through non-parties is permitted if it does not undergo operations other than unloading, reloading, unpacking and repacking, labelling, or any other operation to preserve it in good condition; and the product does not enter into trade and consumption in the non-party (Article 3.12).

3.25. Articles 3.13 through 3.20 contain general requirements for proof of origin; procedures for issuing an origin certificate and verification. A certificate of origin is valid for twelve months from the date of issue in the exporting Party. The importer intending to claim preferential treatment shall submit the valid certificate of origin together with the documents required to the customs authority of the importing Party at the time of filing the import declaration. If not, preferential treatment may be denied and guarantees or other actions to preserve fiscal interests as a pre-condition for customs clearance in accordance with the importing Party's laws and procedures may be required.

3.26. The importing Party may conduct verification following the procedures laid down in Articles 3.21 and 3.22 and release the products to the importer, subject to any precautionary measures while verification is ongoing (Article 3.23). If the verification determines that the goods comply with the rules of origin, any excess duties paid or guarantees obtained shall be promptly refunded (Article 3.26). However, in the case of non-compliance, the importing Party may deny preferential tariff treatment or recover unpaid duties in accordance with its laws and regulations (Article 3.25). Article 3.25 also allows the exporter/producer/manufacturer in the exporting Party to file an appeal against the decision on non-compliance within the period provided by the customs laws of the importing Party. Article 3.27 allows exporters to seek future preferential treatment if previously denied, by demonstrating modified manufacturing conditions to meet origin requirements. The importing Party may restore benefits retroactively or prospectively or continue with the suspension (Article 3.28).

3.27. Article 3.31 establishes the Subcommittee on Rules of Origin to oversee implementation, and disputes can be referred to the Joint Committee. The Parties promote consultation and cooperation for effective application and amendments (Article 3.32). The Parties also aim to negotiate, agree on, and implement provisions to recognize origin declarations by approved exporters for proof of origin.

3.3 Export duties and charges, and quantitative restrictions

3.28. For prohibitions or restrictions on (imports) and exports, Article XI of GATT 1994, including its interpretive notes, is incorporated into the Agreement, *mutatis mutandis* (Article 2.9).

3.4 Regulatory provisions on trade in goods

3.4.1 Standards

3.4.1.1 Sanitary and phytosanitary measures

3.29. Chapter 4 governs provisions on sanitary and phytosanitary (SPS) measures. The Parties affirm their rights and obligations under the WTO SPS Agreement, and the provisions of Chapter 4 largely mirror those in the SPS Agreement.

3.30. Regarding equivalence, the Parties agree to comply with the provisions and procedures outlined in the WTO SPS Agreement, including decisions made by the WTO SPS Committee, as well as other relevant international standards, guidelines, and recommendations (Article 4.5). The importing Party must acknowledge the equivalence of an SPS measure if the exporting Party objectively demonstrates that its measure achieves the same level of protection as that of the importing Party or has an equivalent effect in achieving its objective. Upon request, the importing Party must engage in consultations with the other Party with the aim of achieving bilateral recognition arrangements for specified SPS measures' equivalence. Such recognition could be related

to a single measure, a group of measures, or the entire system. The harmonization of SPS measures is not mandatory under the Agreement.

3.31. Both Parties recognise the concept of regional conditions (including pest or disease-free areas and areas of low pest or disease prevalence) and agree to take into account the relevant decisions of the WTO SPS Committee and international standards, guidelines, and recommendations in this regard (Article 4.6). They also affirm the provisions of the WTO SPS Agreement on risk analysis (Article 4.7) while ensuring that their import procedures comply with Annex C of the WTO SPS Agreement including audit, certification, and import checks (Article 4.8).

3.32. Emergency measure necessary for protecting human, animal, or plant life or health which may affect trade must promptly be notified to the other Party in writing through the designated contact point in Article 4.13. Such measures must be reviewed within six months or as mutually agreed upon and the results of the review shared upon request. If the measure is maintained after the review due to the ongoing reasons for its implementation, the Party should conduct periodic reviews of it (Article 4.9).

3.33. Transparency provisions on SPS are similar to those of the WTO SPS Agreement. Upon request, a Party must provide the other Party with timely information and clarification regarding SPS measures. This includes import requirements for specific products, status of application of measures, and authorisation procedures for specific products (Article 4.10).

3.34. The Parties agree to explore opportunities for further cooperation between them, including capacity building, technical assistance, collaboration, and information exchange on SPS matters of mutual interest (Article 4.11). Under a "technical discussion " provision in Article 4.12, if a Party considers that an SPS measure is affecting its trade with the other Party, it may request a detailed explanation of the measure, including its scientific basis, and the other Party shall promptly respond. Furthermore, in case of an emergency, the Party imposing a measure shall notify the other Party immediately after adopting its decision to implement the measures. Technical consultations must be held within ten days of the notification of an emergency SPS measure and are without prejudice to rights and obligations under Chapter 15 (Dispute Settlement) of the Agreement.

3.35. Upon entry into force of the Agreement, each Party shall designate a contact point or contact points to facilitate communication on matters related to SPS measures (Article 4.13). The Parties confirm that the contact points have been designated and communicated to each other.

3.36. A Sub-Committee on SPS measures is established under Article 4.14 to consider any SPS matters of mutual interest, cooperate, and identify mutually agreed priorities as per Article 4.11, monitor the implementation and operation of SPS provisions, encourage the Parties to share experiences, and facilitate technical discussions. The Parties confirm that two combined sessions of Sub-Committee meetings on Trade in Goods and SPS matters were held in October 2023.

3.4.1.2 Technical barriers to trade

3.37. Chapter 5 of the Agreement governs provisions on technical barriers to trade (TBT). The Parties affirm their rights and obligations under the WTO TBT Agreement (Article 5.4). In particular, the provisions of its articles 2, 3, 4.1, 5, 6.1, 6.3, and Annex 3 (except paragraph A), which are incorporated into and form an integral part of the Agreement. In the event of any inconsistency between the provisions of the TBT Agreement incorporated under the Agreement and the provisions of Chapter 5, the latter shall prevail.

3.38. The scope of the Chapter is to technical regulations, standards, and conformity assessment procedures as defined in the WTO TBT Agreement. One of the objectives of the TBT Chapter in the Agreement is to further cooperation pursuant to the WTO TBT Agreement.

3.39. Neither harmonization nor mutual recognition is made mandatory under the Agreement.

3.40. The Parties agree to strengthen cooperation on matters of mutual interest (as listed in paragraph 3 of Article 5.8) in standards, technical regulations, and conformity assessment procedures. Article 5.9 provides that if a Party considers the need to resolve an issue related to trade

and TBT provisions under the Agreement, it may request technical discussions in writing. The technical discussions shall take place within 60 days of the date of request, unless otherwise mutually determined by the Parties, to reach a mutually satisfactory solution. The Parties confirm that this provision is without prejudice to their rights and obligations under Chapter 15 (Dispute Settlement) of the Agreement.

3.41. The Parties recognize the significance of transparency provisions outlined in the WTO TBT Agreement and agree to consider relevant Decisions and Recommendations issued by the WTO TBT Committee. Upon request, a Party is obligated to provide the full text or a summary of its notified technical regulations and conformity assessment procedures. If immediate access to the information is not possible, a summary detailing the requirements should be furnished within a reasonable timeframe, preferably within 30 days. Furthermore, each Party must allow individuals from the other Party to participate in public consultation processes for the development of technical regulations, national standards, and conformity assessment procedures, ensuring terms of participation are no less favourable than those provided to their own citizens.

3.42. Within sixty days of the date of entry into force of the Agreement, each Party shall designate a contact point or contact points responsible for coordinating the implementation of the provisions of TBT under the Agreement (Article 5.11). The Parties confirm that the contact points have been designated and communicated to each other.

3.43. A Sub-Committee on TBT (TBT Sub-Committee) is established under Article 5.12. Its functions include monitoring the implementation and operation of TBT provisions under the Agreement, coordinating cooperation pursuant to Article 5.8 (cooperation); facilitating technical discussions; reporting, where appropriate, its findings to the Committee on Trade in Goods (CTG); and carrying out other functions as may be delegated by the CTG. The Parties confirm that two combined sessions of Sub-Committee meetings on Trade in Goods and TBT matters were held in October 2023.

3.44. In addition, Annex 5A (bilateral cooperation on pharmaceutical products) outlines the objectives, definitions, and scope of cooperation between the Parties on pharmaceutical products. It aims to facilitate access to pharmaceutical products while ensuring compliance with quality standards and regulations. The Annex covers areas such as good clinical practices, good manufacturing practices, mutual recognition of inspections, fast-track approval procedures, acceptance of test results from accredited laboratories, marketing authorization processes, an alert system for quality issues, and the suspension or withdrawal of marketing authorization. It also establishes contact points for technical queries and collaboration between the UAE and India.¹³ Regular reviews of the Annex are scheduled to ensure its effectiveness.

3.45. The Parties also agree to enter into discussions to negotiate and finalise an Annex on organic products which will form an integral part to the Agreement (Article 5.13).

3.4.2 Safeguard mechanisms

3.46. Chapter 7 (trade remedies) contains provisions on global and bilateral safeguard measures including anti-dumping and countervailing measures. Under Article 7.5, the Parties agree to establish a Sub-Committee on Trade Remedies, which reports to CTG, consisting of government representatives of the Parties' corresponding competent authorities.

3.4.2.1 Global safeguards

3.47. For the provisions of global safeguard measures, the Parties retain their rights and obligations under Article XIX of the GATT and the WTO Safeguards Agreement. The Agreement does not grant any additional rights or obligations regarding actions taken under Article XIX, except that a Party taking a global safeguard measure may exclude imports of an originating good from the other Party if those imports are not the cause of serious injury or threat. Furthermore, neither Party can

¹³ The contact point for the UAE is the Head of the Drug Regulatory Authority of the UAE, the Director of the Drug Department in the Health Regulation Sector of the Ministry of Health and Prevention. For India, it is the Central Drugs Control Organization (CDSCO) under the Ministry of Health and Family Welfare.

simultaneously apply a bilateral safeguard measure under Article 7.3 and a measure under Article XIX for the same good (Article 7.4).

3.4.2.2 Bilateral safeguards

3.48. Bilateral safeguards are permitted under the Agreement in accordance with provisions in Article 7.3. Accordingly, if the reduction or elimination of a customs duty leads to a significant increase in imports of an originating good from the other Party, causing serious injury or a threat thereof to a domestic industry producing a similar or directly competitive good, the affected Party may take certain bilateral safeguards measures. The measures may include (a) a suspension of further reductions in customs duties under the Agreement on the product in question, and (b) an increase in customs duty rates on that product to a level not exceeding the current MFN applied rate when the measure is taken or the MFN applied rate on the day immediately preceding the entry into force of the Agreement, whichever is lower. However, neither tariff rates quotas (TRQs) or quantitative restrictions (QRs) are permissible forms of bilateral safeguard measures.

3.49. The provision of bilateral safeguard measure will be permanent throughout the duration of the Agreement. Nonetheless, after five years from the completion of implementation of customs duty elimination or reduction, the CTG may discuss and review the implementation and operation of the bilateral safeguard measure upon the request of either Party.

3.50. The Article 7.3 also outlines the notification and consultation procedures. Safeguard measures can only be applied following an investigation by the Party's competent authorities, with specified timeframes for completion. The measures shall be necessary to prevent or remedy serious injury, facilitate adjustment, and cannot exceed a period of 2 years with a possibility of additional 2 years extension. The measures cannot be applied for one year after the commencement of tariff reduction or elimination for the specific originating products covered by the Agreement. No bilateral safeguard measure shall be applied again to the import of a product that has previously been subject to such a measure for a period of time equal to the duration during which the previous measure was in effect or for one year following the expiration of that measure, whichever duration is longer.

3.51. Provisional measures can be applied in critical circumstances where delay would cause irreparable damage. The Party must make a preliminary determination based on clear evidence of increased imports causing serious injury or a threat thereof. The duration of provisional measures is limited to 200 days, during which the Party must comply with specified requirements.

3.52. Regarding compensation, the Party implementing the measures shall provide an opportunity for consultation regarding appropriate trade liberalization compensation. This compensation should be in the form of concessions that have trade effects equivalent to the additional duties resulting from the safeguard measure or concessions with an equivalent value. If the Parties are unable to reach an agreement on compensation within 30 days, the Party affected by the measure can temporarily suspend the application of concessions for the originating products of the Party implementing the measure. These suspended concessions should only aim to address the trade effects that are substantially equivalent to the effects of the safeguard measure. The suspension can only remain in place for the minimum duration necessary to achieve the substantially equivalent effects.

3.4.2.3 Other safeguard measures

3.53. As per Article 2.14, the Parties shall make efforts to prevent the imposition of balance of payments restrictions. However, any measures applied to trade in goods must comply with Article XII of the GATT and the Understanding on the BOP Provisions of the GATT, which are incorporated into and constitute part of this Agreement *mutatis mutandis*.

3.4.3 Anti-dumping and countervailing measures

3.54. Under Article 7.2 of Chapter 7 (trade remedies) contains provision on antidumping and countervailing measures. Except as otherwise provided for in the Agreement, the Parties retain their rights and obligations under Article VI of the GATT 1994 and the WTO Agreements on Antidumping, and on Subsidies and Countervailing Measures (SCM).

3.55. On the provision of termination of anti-dumping and countervailing duty measures, the paragraphs 2A and 2B of Article 7.2 outline that If an anti-dumping or countervailing duty investigation concerning goods from the other Party concludes with a negative final determination, or if it is terminated through a review under Articles 11.2 and 11.3 of the Anti-Dumping Agreement and Articles 21.2 and 21.3 of the SCM Agreement, no anti-dumping or countervailing duty shall be imposed on the same goods for a period of one year following the termination of the previous investigation or measure, provided that the other Party is the only subject country involved. However, the investigating authority of the importing Party may initiate an investigation in exceptional cases, provided that the authority is satisfied, based on the available evidence, that dumping, or injury has recurred as a result of the withdrawal of the duties. The initiation of such an investigation is deemed necessary to prevent material injury or a threat thereof to the domestic industry as a consequence of the dumped imports from the exporting Party.

3.56. Under Paragraph 3 of Article 7.2, the Parties also recognize certain practices to enhance transparency and due process in anti-dumping and countervailing duty proceedings. The practices include, *inter alia*, not including the other Party among subject countries in investigations when products are merely transhipped, providing written notification, allowing pre-initiation consultations, conducting in-person verifications with advance notice and documentation, providing an opportunity to remedy deficiencies in information, disclosing essential facts before making a final determination, and allowing interested parties to defend their interests.

3.4.4 Subsidies and state-aid

3.57. The Agreement does not include any specific provisions concerning subsidies. However, the Parties reaffirm their rights and obligations regarding subsidies and countervailing measures under Article XVI of the GATT (Article 7.2).

3.58. The Agreement does not prohibit a Party from maintaining or establishing a State trading enterprise in accordance with Article XVII of GATT, including its understanding on the interpretation (2.17).

3.4.5 Customs-related procedures and trade facilitation

3.59. Chapter 3 of the Agreement primarily addresses customs procedures related to origin, while Chapter 6 focuses on customs cooperation and trade facilitation. Many provisions in Chapter 6 resemble those found in the WTO Trade Facilitation Agreement (TFA), with some references made to the provisions of TFA. Chapter 6 encompasses a range of provisions aimed at simplifying customs processes and promoting efficient trade. The provisions include (Articles 6.4 through Article 6.16) publication of customs information, adoption of risk management techniques, encouragement of paperless communications, establishment of advance rulings, enforcement of penalties for non-compliance, implementation of streamlined clearance processes, recognition of trusted traders through Authorized Economic Operator (AEO) Mutual Recognition Arrangement (MRA), promotion of cooperation between customs and other border control agencies, facilitation of express and low-value shipment, establishment of mechanisms for review and appeal, encouragement of customs cooperation and capacity building, provisions on confidentiality of information, and creation of dedicated platforms for ongoing collaboration.

3.60. Article 6.14 focuses on customs cooperation, emphasizing the need to enhance cooperation and exchange of information between Customs administrations. The objective is to ensure the proper application of customs laws and regulations, enhance trade security, and facilitate international trade. Each Party is obligated to implement and comply with the obligations specified in the Customs Mutual Assistance Agreement (CMAA).¹⁴ Furthermore, the Parties are encouraged to facilitate initiatives that promote the exchange of pre-arrival customs data and information regarding best

¹⁴ Customs Mutual Assistance Agreement (CMAA)" refers to an agreement signed on April 1, 2012, which aims to strengthen customs cooperation and information exchange between the Parties. The agreement is designed to enhance assistance in the administration of customs matters, ensuring the proper application of customs law and facilitating lawful trade. It also focuses on preventing, investigating, and combating customs offenses, as well as ensuring the security of the international trade supply chain.

practices for implementing and managing customs procedures, as described in Chapter 6 and in accordance with the CMAA.

3.61. Under Article 6.16, a Sub-Committee on Customs Procedures and Trade Facilitation, which reports to CTG, is established, consisting of government representative from competent authorities of the Parties.

3.4.6 Other regulations

3.62. In addition to the provisions described above, there are no other regulations in the Agreement.

3.5 Sector-specific provisions on trade in goods

3.63. There are no sector specific provisions in the Agreement.

4 PROVISIONS ON TRADE IN SERVICES AND INVESTMENT

4.1 Scope and definitions

4.1. Chapter 8 applies to measures affecting trade in services.¹⁵ Trade in services is defined as the supply of a service through the four modes of supply as under the GATS. The Chapter does not apply to: (a) laws, regulations, or requirements governing the procurement by government agencies of services purchased for governmental purposes and not with a view to commercial resale or use in the supply of services for commercial sale; (b) subsidies or grants except to the extent provided in Article 8.15 on subsidies; (c) services provided in the exercise of governmental authority; and (d) measures affecting air traffic rights or services directly related to the exercise of air traffic rights, other than measures affecting aircraft repair and maintenance services, the selling and marketing of air transport services, computer reservation system services, rental services of aircraft with crew, or air transport management services.¹⁶ Moreover, it does not apply to measures that affect natural persons seeking to access a Party's employment market or to measures pertaining to citizenship, permanent residence, or permanent employment.

4.2. The Parties affirm their rights and obligations under the GATS Annex on financial services, which is incorporated into and made an integral part of the Agreement (Article 8.2.4).

4.3. The provisions of Chapter 8 are complemented by four Annexes (Annexes 8A through 8D). The specific commitments made by India and the UAE are contained in Annexes 8A and 8B, respectively. Annex 8C applies to telecommunication services while Annex 8D contains provisions on the movement of natural persons (mode 4).

4.4. The provisions on investment are governed by Chapter 12 (See section 4.5.5.2).

4.2 Denial of benefits

4.5. The provisions of Article 8.18 on denial of benefits, are similar to those of Article XXVII of the GATS. Accordingly, a Party may deny the benefits of Chapter 8:

- a. to the supply of service, if it establishes that the service is supplied from or in the territory of a third-party.

¹⁵ Pursuant to Article 8.1, such measures include those in respect of (i) the purchase, payment or use of a service; (ii) access to and use of, in connection with the supply of a service, services which are required by a Party to be offered to the public generally; and (iii) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party.

¹⁶ The Chapter shall apply to measures affecting rental services of aircraft with crew and air transport management services only for a Party that opts to make commitments in such services in accordance with Article 8.7 (Schedule of Specific Commitments).

- b. to a service supplied by a juridical person, if it establishes that it is not a service supplier of the other Party.
- c. to the supply of a maritime transport service, if it establishes that the service is supplied: (i) by a vessel registered under the laws of a third-party or (ii) by a person from a third-party who operates and/or uses the vessel in whole or in part.

4.6. Subject to prior notification and consultation, a Party may also deny the benefits of Chapter 8 to the supply of a service from or in the territory of the other Party if it establishes that the service is supplied by a service supplier that is owned or controlled by a person of a third-party, and the denying Party adopts or maintains measures on the third-party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of Chapter 8 were accorded to the service supplier.

4.3 General provisions on trade in services and investment

4.3.1 Market access

4.7. The provisions on market access in Article 8.3 mirror those of Article XVI of the GATS. In addition, both Parties should make efforts to reduce the conditions for a service provider from the other Party to establish or maintain a representative office, or any form of juridical person, or residency within their territories in order to engage in cross-border supply of a service.

4.8. The Parties' schedules of specific commitments specify the conditions and/or limitations on market access for trade in services under the Agreement.

4.3.2 National and MFN treatment

4.9. The national treatment provisions in the Agreement (Article 8.4) are similar to those in GATS Article XVII. The Parties' commitments are outlined in their schedules of specific commitments and apply only to the sectors and subsectors listed and subject to the conditions and/or limitations inscribed therein.

4.10. Concerning MFN treatment, Article 8.6 stipulates that if a Party enters into any agreement on trade in services with a third-party, it may consider a request by the other Party to provide treatment that is no less favourable than that provided to the third-party. Such treatment should maintain the overall balance of commitments by the Parties under the Agreement.

4.3.3 Commercial presence

4.11. In Article 8.1, commercial presence is defined as any type of business or professional establishment, including through (a) the constitution, acquisition, or maintenance of a juridical person, or (b) the creation or maintenance of a branch or a representative office, within the territory of a Party for the purpose of supplying a service.

4.12. Subject to the conditions and limitations in the Parties' Schedules of specific commitments, the disciplines, commitments and modalities in Chapter 8 apply to commercial presence for the sectors listed.

4.3.4 Performance requirements

4.13. There are no specific provisions on performance requirements in the Agreement.

4.3.5 Senior Management and Boards of Directors

4.14. There are no specific provisions on senior management and boards of directors in the Agreement.

4.3.6 Movement of natural persons

4.15. The Parties affirm their rights and obligations under the GATS Annex on the Movement of Natural Persons which is incorporated into and forms an integral part of the Agreement. Annex 8D of the Agreement sets out further rights and obligations regarding the movement of natural persons of the Parties supplying services (Article 8.19) as per their respective Schedule of specific commitments (Article 1 of Annex 8D).

4.16. Article 2 of Annex 8D emphasizes the importance of transparency of information related to entry, temporary stay, and work permits for natural persons. Accordingly, the Parties agree to make necessary information publicly available for all relevant categories of visas and work permits for entry, temporary stay, and work, including visa extensions for natural persons covered by the Agreement. If it is not feasible for a Party to publish this information publicly, it shall provide it to the other Party and indicate the contact details of an authority where service suppliers from the other Party can request the information.

4.17. Article 3 of Annex 8D establishes application procedures for entry, temporary stay, and work permits for service suppliers of each Party. The competent authorities of each Party must process applications promptly and notify applicants if additional information is needed. Upon request, they must provide applicants with timely updates on their application status. Once a decision has been made, the competent authorities must promptly notify the applicant, including details on the duration of stay and any applicable terms and conditions.

4.18. The horizontal commitment section of the Parties' Schedule of specific commitments defines the categories of natural persons and outlines the conditions applied to their entry into and stay in the territories of the Parties. The categories include (i) business visitors, (ii) intra-corporate transferees, which include managers, executives, and specialists, and (iii) contractual service suppliers. Table 4.1 summarizes temporary entry and stay for the categories for which the Parties have made commitments under the Agreement and the GATS. The commitments are subject to any specific terms, conditions, or limitations scheduled for each service sector in the Parties' Schedules of specific commitments which should be taken into account when assessing the provisions on the movement of natural persons (mode 4).

Table 4.1 India and the UAE: Commitments taken by the Parties on the movement of natural persons

Categories	Conditions for the temporary movement of natural persons			
	In India		In the UAE	
	Agreement	GATS	Agreement	GATS
Business Visitors	<ul style="list-style-type: none"> 5 years multiple entry with a restriction of 180 days for a single visit. Proof of nationality of the UAE and absence of any remuneration from a source located in India. 	<ul style="list-style-type: none"> Single entry for a period of not more than 90 days. Absence of any remuneration from a source located in India. 	<ul style="list-style-type: none"> Maximum 90 days in any 12-month period. Not acquiring remuneration from the UAE and not engaging in making direct sales to the public or supplying services. 	<ul style="list-style-type: none"> Single entry for a period of not more than 90 days. Persons not based in the territory of the UAE and absence of any remuneration from a source located in the UAE.
Intra Corporate Transferees	<ul style="list-style-type: none"> Temporary entry and stay for 1 year or the duration of the contract, whichever is shorter, subject to any other conditions prescribed under India's immigration regulations. 	<ul style="list-style-type: none"> Temporary entry for the maximum period of 5 years 	<ul style="list-style-type: none"> Entry for 3 years renewable for additional years and the UAE's labour and immigration laws. The number of managers, executives, and specialists shall be limited to 50% of the total number of individuals in these 	<ul style="list-style-type: none"> Entry for a period of 1 year renewable for additional 2 years, and subject to the UAE's labour and immigration laws. The number of managers, executives, and specialists shall be limited to 50%

Categories	Conditions for the temporary movement of natural persons			
	In India		In the UAE	
	Agreement	GATS	Agreement	GATS
			categories per service supplier.	of the total number of individuals in these categories per service supplier.
Contractual service suppliers	<ul style="list-style-type: none"> • Temporary entry and stay for 1 year or the duration of the contract, whichever is shorter. • Proof of nationality of the UAE, evidence of the purpose of entry, including the letter of contract. • Evidence of relevant minimum educational requirements, qualifications, or alternative credentials. 	<ul style="list-style-type: none"> • Temporary entry and stay for a maximum period of 1 year with possible extension of 3 months. 	<ul style="list-style-type: none"> • Entry for up to 90 days with the possibility of renewal for an additional 90 days, subject to approval by the Ministry of Human Resources and Emiratization • The purpose of entry into the UAE must be a temporary mission connected with a private or public company or corporation operating in the UAE, provided that the individual is sponsored by one of its competent staff or an official body. 	<ul style="list-style-type: none"> • No commitments

Source: WTO Secretariat based on horizontal commitment sections of Schedule of Specific Commitments under the Agreement (Annexes 8A and 8B) and the GATS (S/DCS/W/IND and S/DCS/W/ARE).

4.4 Liberalization commitments

4.19. The Parties' market access and national treatment commitments, as well as additional commitments for liberalization of trade in services, follow a positive list approach similar to that of the GATS. The specific commitments by the Parties are detailed in their respective Schedules (Annex 8A for India and Annex 8B for the UAE). The Schedules outline the services sectors and sub-sectors for which commitments have been made and specify, according to the four modes of supply, the conditions and limitations that may apply to market access and national treatment. They also include information on the effective date and implementation periods of the commitments (Article 8.7).

4.20. Beyond the commitments for market access, and national treatment, the Parties may negotiate additional commitments on measures affecting trade in services, including those regarding qualifications, standards, or licensing matters. The Parties shall include such commitments into their Schedules of specific commitments (Article 8.5).

4.21. In accordance with the procedures in Article 8.8, the Parties may modify or withdraw any commitments in their Schedules at any time after three years of entry into force of the Agreement. A Party intending to modify or withdraw a commitment shall notify the other Party a minimum of three months before the intended date of implementation of the modification or withdrawal.

4.22. The Parties make a best-endeavour commitment in Article 8.9 to review the Chapter 8, in particular, their Schedules of specific commitments at least once every two years, at the request of either Party. The review aims to facilitate the reduction or elimination of substantially all remaining discrimination between the Parties concerning trade in services covered in Chapter 8 over a period of time determined by the Parties. This shall be done while taking into consideration their national policy objectives and such reviews shall be in conformity with Article V of the GATS.

4.4.1 India

4.23. The following section compares India's horizontal limitations and sectors specific commitments on market access and national treatment for all covered service sectors in the GATS and the Agreement.

4.4.1.1 MFN and Horizontal commitments

4.24. India's horizontal commitments under the GATS mainly consist of market access conditions and national treatment limitations on mode 4, which form the basis of its mode 4 commitments under the Agreement. Additionally, a horizontal condition applies to national treatment under mode 3 which specifies that when collaborating with public sector enterprises or government undertakings as joint venture partners, foreign service suppliers/entities that provide the most favourable terms for technology transfer will be given preference. India has also included MFN exemptions for certain telecommunication services, audio-visual services, and cargo reservation services in its GATS schedule.

4.25. While largely replicating commitments made under GATS, India also limits market access for all modes of supply for social services established or maintained for a public purpose.¹⁷ Additionally, commercial presence (mode 3) in India as a joint venture or a wholly owned subsidiary is made mandatory unless otherwise specified in the sectoral commitments. Other limitations may also apply under the Foreign Exchange Management Act (FEMA) and any others applicable laws through a liaison/representative, project or branch office, subject to relevant approvals.

4.26. With regard to horizontal limitations on national treatment, provisions for applying taxation laws in accordance with domestic legislation are added for both domestic and foreign service suppliers for all modes of supply. For mode 3, subsidies, where granted, shall be available only to domestic service suppliers, and India reserves the right to regulate payments to a foreign collaborator resulting from foreign technology transfer or the use of trademarks and brand names of the foreign collaborator. However, this limitation will not apply to UAE nationals and juridical persons that are majority owned and controlled by nationals of the UAE. This limitation is subject to review five years after the date of entry into force of the Agreement.

4.27. Furthermore, India adds the right to apply government policies on foreign direct investment without prejudice to equity and other restrictions specified under relevant sectoral commitments in its Schedule which applies to both market access and national treatment.

4.4.1.2 Sector-specific commitments in trade in services

4.28. Under the Agreement, India improves its GATS commitments by broadening the coverage of sector-specific commitments and increasing access to markets and/or national treatment through the removal of limitations. Table 4.2 provides a summary of its specific commitments under the Agreement, by main sectors and sub-sectors, compared to its GATS commitments. The comparison only concerns modes 1-3, and specifically market access and national treatment. It does not cover MFN and horizontal limitations or mode 4 limitations.

Table 4.2 India: Comparison between GATS and Agreement specific commitments

Sectors / Sub-sectors	GATS	Agreement (Annex 8A)	Compared to GATS
1. Business services			
A. Professional Services	Partial	Partial	Improved
B. Computer and Related Services	Partial	Full	Improved
C. Research and Development Services	Partial	Partial	Improved
D. Real Estate Services	---	Partial	New
E. Rental/Leasing Services without Operators	---	Partial	New
F. Other Business Services	Partial	Partial	Improved
2. Communication services			
A. Postal services	---	---	Same
B. Courier services	---	---	Same

¹⁷ Such as income security, social security, insurance, social welfare, public education, public training, public health, childcare, public utilities, public transport, freight transport and public housing.

Sectors / Sub-sectors	GATS	Agreement (Annex 8A)	Compared to GATS
C. Telecommunication services	Partial	Partial	Improved
D. Audiovisual services	Partial	Partial	Improved
E. Other	---	---	Same
3. Construction and related engineering services			
A. General construction work for buildings	---	Full	New
B. General construction work for civil Engineering	Partial	Full	Improved
C. Installation and assembly work	---	Full	New
D. Building completion and finishing work	---	Full	New
E. Other	---	Full	New
4. Distribution services			
A. Commission agents' services	---	Partial	New
B. Wholesale trade services	---	Partial	New
C. Retailing services	---	Partial	New
D. Franchising	---	Partial	New
E. Other	---	---	Same
5. Education services			
A. Primary education services	---	---	Same
B. Secondary education services	---	---	Same
C. Higher education services	---	Partial	New
D. Adult education	---	---	Same
E. Other education services	---	---	Same
6. Environmental services			
A. Sewage services	---	---	Same
B. Refuse disposal services	---	Full	New
C. Sanitation and similar services	---	Full	New
D. Other	---	---	Same
7. Financial services			
A. All insurance and insurance-related services	Partial	Partial	Improved
B. Banking and other financial services	Partial	Partial	Improved
8. Health related and social services			
A. Hospital services	Partial	Partial	Improved
B. Other Human Health Services	---	---	Same
C. Social Services	---	---	Same
D. Other	---	---	Same
9. Tourism and travel related services			
A. Hotels and restaurants (including catering)	Partial	Full	Improved
B. Travel agencies and tour operators services	Partial	Full	Improved
C. Tourist guides services	---	Partial	New
D. Other	---	---	Same
10. Recreational and cultural and sporting services			
A. Entertainment services	---	Partial	New
B. News agency services	---	---	Same
C. Libraries, archives, museums and other cultural services	---	Full	New
D. Sporting and other recreational services	---	Full	New
E. Other	---	---	Same
11. Transport services			
A. Maritime Transport Services	---	Partial	New
B. Internal Waterways Transport	---	---	Same
C. Air Transport Services	---	Partial	New
D. Space Transport	---	---	Same
E. Rail Transport Services	---	---	Same
F. Road Transport Services	---	---	Same
G. Pipeline Transport	---	---	Same
H. Services auxiliary to all modes of transport	---	---	Same
I. Other Transport Services	---	---	Same
12. Other services not included elsewhere	---	---	Same

Full: No sector-specific limitation/reservation and all sub-sectors covered.

Partial: Sector-specific limitations/reservations or not all sub-sectors covered.

---: No specific commitments.

New: New commitments under the Agreement (full or partial, with or without limitations) which can, in most cases, be seen as "improved".

Improved: Overall improved commitments under the Agreement compared to the GATS.

Same: Same commitments.

Source: Draft Consolidated GATS Schedule of Specific Commitments (S/DCS/W/IND), prepared by the Secretariat (in 2003) and Annex 8A (India's Schedule) to the Agreement.

4.4.1.2.1 Business services

4.29. Under its GATS commitments, India has a few partial commitments for business services. Under the Agreement, India's overall commitments in business services have been substantially enhanced through new or improved commitments. The sectoral coverage for professional services has been expanded to cover almost all subsectors, except for legal and taxation services, for which a number of partial and full commitments have been made. For accounting and bookkeeping services (excluding auditing), modes 1-2 are fully liberalized, and mode 3 is unbound. Similarly, modes 1-2 are fully liberalized for architectural, and urban planning and landscape architectural services, while for mode 3, no limitations on national treatment are imposed, but for market access, commercial presence through incorporation as a partnership firm constituted by architects is mandatory. Additionally, engineering, integrated engineering, and veterinary services are fully liberalized. Partial commitments are also made for medical, dental services, and services provided by midwives, nurses, physiotherapists, and para-medical personnel.

4.30. By removing all limitations and conditions in the GATS, computer and related services are fully liberalized. All limitations and conditions on research and development services in the field of natural sciences are lifted, and a new full commitment has been made in social sciences and humanities (excluding law). A partial commitment has also been introduced for interdisciplinary research and development services, fully liberalizing modes 1 and 2, while leaving mode 3 unbound.

4.31. Real estate services on a fee or contract basis are also fully opened. For rental/leasing services without an operator, services related to ships and aircraft are fully liberalized, except prescribed minimum capitalization norms must be adhered to for national treatment. For the other subsectors of rental/leasing services without operators, partial commitments are made by leaving mode 1 unbound, extending full commitments for mode 2, and imposing no limitations on market access but a national treatment condition¹⁸ for mode 3. A number of service categories under other business services are fully liberalized¹⁹, while for others, partial commitments²⁰ are made.

4.4.1.2.2 Communication services

4.32. Postal and courier services are unbound both under the GATS and the Agreement. The coverage of telecommunication services commitments has been expanded, introducing new sub-sectors in the Agreement with certain conditions and limitations, while the conditions and limitations for existing sub-sectors under the GATS have either been improved or unchanged. For example, mode 2 for voice telephone (including cellular mobile telephone), circuit-switched data transmission, facsimile, and private leased circuit services, which is unbound in the GATS, is fully liberalized under the Agreement. Market access is also granted for mode 3, subject to the condition that the company is registered in India with a maximum foreign direct and/or indirect investment of 74%. A similar but new commitment in modes 2 and 3 for packet-switched data transmission, telex, and telegraph services is also made. For data and message transmission services, a new condition requiring commercial arrangements with licensed telecom service suppliers in India has been added for market access under mode 1, and mode 2 (unbound under the GATS) has been liberalized. Regarding Mode 3, the market access limitation of a foreign equity ceiling of 51% in the GATS is lifted, but government approval is required for FDI of more than 49%. No limitations are imposed on national treatment for modes 1-3. In addition, a number of new and full commitments are made under audio-visual services for sound recordings and audio-visual post-production services.

4.33. Additional rules and disciplines in telecommunication services are included in Annex 8C of the Agreement (See section 4.6.1).

¹⁸ Prescribed minimum capitalisation norms must be adhere to.

¹⁹ Including, management consulting services excluding all services relating to legal consultancy, services related to management consulting, technical testing and analysis services, placement and supply services of personnel, maintenance and repair of equipment, building cleaning services, photographic services (excluding aerial photography, satellite pictures, and satellite enabled photography), packaging services, convention services, duplicating services, and telephone call centre services.

²⁰ For advertising services; services incidental to fishing, mining, and energy distribution; related scientific and technical consulting services (excluding map making and hydrographic related surface surveying services); specialty design services; and translation and interpretation services.

4.4.1.2.3 Construction and related engineering services

4.34. In its GATS commitments, India made partial mode 3 commitments only for general construction work for civil engineering, granting market access through incorporation with a foreign equity ceiling of 51%, with no limitation on national treatment, while leaving modes 1 and 2 unbound. In the Agreement, the entire sector is fully opened for modes 1 to 3.

4.4.1.2.4 Distribution services

4.35. India makes no commitments for the entire sector under the GATS. However, under the Agreement, it makes partial commitments in all sub-sectors except for 'other' distribution services. Full commitments are made for selected commission agents'²¹ services in modes 1 and 2, while for mode 3, approval from the Reserve Bank of India (RBI) in conformity with FEMA is required. Similar commitments are also extended to covered wholesale trade services. Partial market access commitments under mode 3 are also made for some single brand product retail services and franchising services.

4.4.1.2.5 Educational services

4.36. No commitments are made for the sector under the GATS. However, under the Agreement, commitments are made for higher education services with certain conditions and limitations, while all other education services remain unbound. Market access under mode 1 is granted for higher education, subject to approval from the relevant authority in India and compliance with regulations applicable to domestic service providers, and national treatment is provided without limitations. No conditions or limitations are imposed for mode 2. However, for mode 3, market access is subject to conditions regarding fee fixation, and national treatment is subject to the relevant laws and regulations of India.

4.4.1.2.6 Environmental services

4.37. The entire sector is unbound under the GATS. However, under the Agreement, full commitments have been made for refuse disposal services, and sanitation and similar services. However, any related services provided by public utilities and governmental authorities are excluded.

4.4.1.2.7 Financial services

4.38. India has partial commitments under the GATS for financial services. Under the Agreement, the coverage of the sectors and conditions are either expanded or improved, particularly for insurance and insurance related services. For example, life insurance, not covered under the GATS is included in the Agreement which grants market access under mode 3 with some conditions requiring commercial presence through incorporation of a company with foreign investment not exceeding 49%, and fulfilment of minimum capitalisation norms. A similar market access condition is also extended under mode 3 for non-life insurance which is not included in the GATS. For banking and other financial services excluding insurance, commitments under the Agreement essentially replicate the GATS commitments with some partial improvements; for instance, instead of restricting market access under mode 3 to only branch operations for some banking services, it is extended to a wholly own subsidiary of a foreign bank licensed and supervised as a bank in its home country or through FDI subject to a foreign investment ceiling of 49%. However, the opening of branches or wholly owned subsidiaries by foreign banks, is also subject to an economic needs test, reciprocity, inclusive banking and any other prudential requirements which the RBI may specify. In addition, the provision and transfer of financial information, financial data processing, and related software by suppliers of other financial services are liberalized under the Agreement.

4.39. The commitments in financial services under the Agreement are made in accordance with the GATS and its Annex on financial services. All the commitments are subject to entry requirements, domestic laws, rules, regulations, guidelines, and the terms and conditions of the RBI, the Securities

²¹ Commission agents' services covering sales on a fee or contract basis of: agricultural raw materials; food products excluding beverages and tobacco; machinery, industrial equipment and vehicles other than motor vehicles, bicycles and motorcycles; furniture, household goods, hardware and ironmongery; textiles, clothing and footwear.

and Exchanges Board of India, the Insurance Regulatory and Development Authority of India, and any other competent authority.

4.4.1.2.8 Health related and social services

4.40. With partial commitments limited to hospital services, all other health and social services are unbound under the GATS which is unchanged in the Agreement. However, mode 2 conditions and limitations for hospital services are removed entirely, while under modes 1 and 3, they are either removed or improved. For mode 1, market access is granted on a provider-to-provider basis between two established medical institutions for a second opinion on a diagnosis or for research purposes, without any national treatment limitation. Market access under mode 3 is granted provided that the latest technology for treatment will be transferred, while national treatment is extended to the subsector except for publicly funded services which are restricted to Indian citizens or are subject to differential prices for persons other than Indian citizens.

4.4.1.2.9 Tourism and travel related services

4.41. In its GATS commitments, India has partial commitments for hotel and other lodging services, as well as travel agency and tour operator services, while leaving other subsectors unbound. Under the Agreement, all conditions and limitations regarding market access and national treatment are completely removed for these two subsectors. In addition, new partial commitments are made for tourist guide services with mode 2 for tourist guide services fully liberalized, and market access in mode 3 limited to a numerical ceiling of 500 guides²² with no national treatment limitations while mode 1 remains unbound.

4.4.1.2.10 Recreational, cultural and sporting services

4.42. While the entire sector is unbound under the GATS, the Agreement fully liberalizes modes 2 and 3 for some entertainment services (including theatre and live bands). Library services and archive services (excluding archival management of public record) as well as sporting and other recreational services (excluding lottery, gambling and betting) are also fully liberalized. News agency services and 'other' services continue to be unbound.

4.4.1.2.11 Transport services

4.43. No commitments are made for the entire sector under the GATS. However, under the Agreement, partial commitments are made for maritime international transport (freight and passengers excluding cabotage and offshore transport) and for certain maritime auxiliary services. For several service categories²³, full commitments are made in mode 2, while for mode 3, there are no sector specific conditions or limitations, but conditions outlined in the headnote²⁴ apply. There are similar commitments in a few other categories²⁵ of maritime auxiliary services with mode 1 also being fully liberalized. Regarding air transport services, full commitments are made for the maintenance and repair of aircraft for modes 1-3. Cabotage is not covered by the Agreement as clarified in an attachment to the Schedule of specific commitments.

²² Numerical ceiling in relation to the number of tourists guides for the Agreement will be in accordance with the India's revised offer under the GATS as in WTO document TN/S/O/IND/Rev.1 dated 24 August 2005, the current limit is 500 guides.

²³ Maritime cargo handling services; storage and warehousing services in ports; customs clearance services; container station and depot services; and ship broking services.

²⁴ The conditions outlined in the headnote of India's Schedule (Annex 8A) for transport services include: Commitments made are subject to domestic laws, entry requirements, rules and regulations, as well as the terms and conditions set by the Directorate General of Shipping, Reserve Bank of India, and other competent authorities in India. In the case of supplying Maritime Auxiliary Services through commercial presence under Mode 3, it can only be done by establishing a company registered under a Central Act or State Act in India, with its main place of business located in India. Such companies must also comply with the applicable conditions required by law. India also reserves the right to adopt or maintain any measures with respect to cabotage in maritime transport services.

²⁵ Maritime agency services; maritime freight forwarding services; and maintenance and repairs of seagoing vessels.

4.4.2 UAE

4.44. The following section compares horizontal limitations and sector specific commitments on market access and national treatment for all covered service sectors in the GATS and the Agreement.

4.4.2.1 MFN and Horizontal commitments

4.45. Under the GATS, the UAE includes MFN exemptions for the entry, establishment, and operation of foreign financial services suppliers. In its horizontal commitments, market access for mode 3 is limited to established commercial presence or incorporation as a company with maximum foreign equity of 49% subject to UAE law. National treatment in mode 3 is restricted for the acquisition of land and real estate, and direct taxation on income and access to government subsidized services are also reserved. Other horizontal commitments consist of mode 4 market access conditions, which form the basis of its mode 4 commitments under the Agreement.

4.46. Under the Agreement, while horizontal commitments largely remain the same as in the GATS, the foreign equity ceiling is withdrawn. Additionally, it is possible for authorized Indian companies to exercise their activities in the UAE and owning land and real estate for the purpose of supplying services.

4.4.2.2 Sector specific commitments in trade in services

4.47. The UAE's commitments on trade in services under the Agreement are improved overall compared to its GATS commitments. Table 4.3 below summarizes its specific commitments under the Agreement by sectors and sub-sectors and compares them with its GATS commitments. The comparison only concerns market access and national treatment in modes 1-3. It does not cover MFN and horizontal limitations, and mode 4.

Table 4.3: UAE: Liberalization commitments under the Agreement in comparison to the GATS

Sectors / Sub-sectors	GATS	Agreement (Annex 8B)	Compared to GATS
1. Business services			
A. Professional Services	Partial	Partial	Improved
B. Computer and Related Services	Partial	Partial	Improved
C. Research and Development Services	Full	Full	Same
D. Real Estate Services	---	---	Same
E. Rental/Leasing Services without Operators	---	Partial	New
F. Other Business Services	Partial	Partial	Improved
2. Communication services			
A. Postal services	---	Partial	New
B. Courier services	Full	Partial	Less
C. Telecommunication services	---	Partial	New
D. Audiovisual services	---	Partial	New
E. Other	---	---	Same
3. Construction and related engineering services			
A. General construction work for buildings	Full	Partial	Less
B. General construction work for civil Engineering	Full	Partial	Less
C. Installation and assembly work	Full	Partial	Less
D. Building completion and finishing work	Full	Partial	Less
E. Other	Full	Partial	Less
4. Distribution services			
A. Commission agents' services	---	---	Same
B. Wholesale trade services	---	Partial	New
C. Retailing services	---	Partial	New
D. Franchising	---	Partial	New
E. Other	---	---	Same
5. Education services			
A. Primary education services	---	---	Same
B. Secondary education services	---	Partial	New
C. Higher education services	---	Partial	New
D. Adult education	---	Partial	New
E. Other education services	---	Partial	New

Sectors / Sub-sectors	GATS	Agreement (Annex 8B)	Compared to GATS
6. Environmental services			
A. Sewage services	Full	Partial	Less
B. Refuse disposal services	Full	Partial	Less
C. Sanitation and similar services	Full	Partial	Less
D. Other	Full	Partial	Less
7. Financial services			
A. All insurance and insurance-related services	---	Partial	New
B. Banking and other financial services	Partial	Partial	Less
8. Health related and social services			
A. Hospital services	---	Partial	New
B. Other Human Health Services	---	Partial	New
C. Social Services	---	---	Same
D. Other	---	---	Same
9. Tourism and travel related services			
A. Hotels and restaurants (including catering)	Full	Partial	Less
B. Travel agencies and tour operators services	---	Partial	New
C. Tourist guides services	Full	Partial	Less
D. Other	---	---	Same
10. Recreational and cultural and sporting services			
A. Entertainment services	---	Partial	New
B. News agency services	---	Partial	New
C. Libraries, archives, museums and other cultural services	---	Partial	New
D. Sporting and other recreational services	---	Partial	New
E. Other	---	---	Same
11. Transport services			
A. Maritime Transport Services	---	Partial	New
B. Internal Waterways Transport	---	---	Same
C. Air Transport Services	---	Partial	New
D. Space Transport	---	---	Same
E. Rail Transport Services	---	Full	New
F. Road Transport Services	---	---	Same
G. Pipeline Transport	---	---	Same
H. Services auxiliary to all modes of transport	---	---	Same
I. Other Transport Services	---	---	Same
12. Other services	---	---	Same

Full: No sector-specific limitation/reservation and all sub-sectors covered.

Partial: Sector-specific limitations/reservations or not all sub-sector covered.

---: No specific commitments.

New: New commitments under the Agreement (full or partial, with or without limitations) which can, in most but not all cases, be seen as "improved".

Improved: Overall improved commitments made under the Agreement compared to those under the GATS.

Same: Same commitments (Agreement vs GATS).

Less: Some additional limitations (as compared to GATS commitments).

Source: Draft Consolidated GATS Schedule of Specific Commitments (S/DCS/W/ARE), prepared by the Secretariat (in 2003) and Annex 8B (UAE's Schedule) to the Agreement.

4.4.2.2.1 Business services

4.48. In the GATS, the UAE fully liberalized a number of professional services²⁶, with national treatment for mode 3 subject to the horizontal section. Under the Agreement, it improves its GATS commitments by expanding the coverage of certain subsectors. However, foreign equity limitations are introduced for mode 3 for almost all sectors covered. In professional services, there are new commitments for some legal services with full commitments for modes 1-2. However, for mode 3, market access is restricted for companies with up to 75% of foreign equity for 5 years from the Agreement's entry into force, following which the limit will be lifted and a national treatment limitation prevents non-UAE lawyers from pleading in UAE courts, acting before official bodies, or performing national functions. There are similar market access mode 3 conditions for accounting, auditing, and bookkeeping services for the first 10 years. Integrated engineering services and medical and dental services are added by the Agreement, but a new foreign equity limit of 75% for

²⁶ Including accounting, auditing and book-keeping services; taxational services (business tax planning and consulting and business tax preparation and review services); architectural, engineering, urban planning and landscape services; and veterinary services.

most subsectors in the GATS and 70% for medical and dental services is introduced. Furthermore, market access for mode 3 is permitted for services provided by midwives, nurses, physiotherapists, and paramedical personnel, with a foreign equity limit of 49% and subject to approval from UAE authorities. While "other" (CPC 849) computer services are added in the Agreement, they are subject to a foreign equity ceiling of 70% under mode 3 for the first 3 years. New commitments are made for certain rental and leasing services without operators²⁷, with no restrictions for modes 1-2 but a foreign equity ceiling of 70% for market access under mode 3.

4.49. Under other business services, foreign equity limits have been introduced for mode 3 for certain covered subsectors under the GATS, while a number of new commitments are made. For instance, full commitments are made for management consulting services, and partial commitments in mode 3, with a foreign equity ceiling of 75% for the first 10 years, for services incidental to manufacturing, scientific and technical consulting, equipment maintenance and repair, building cleaning, packaging, printing, publishing, and other services.

4.4.2.2.2 Communication services

4.50. The UAE only included courier services in its GATS Schedule which is fully liberalized, except as indicated in the horizontal section.

4.51. Under the Agreement, commitments are made in postal services subject to a 49% foreign equity limit for market access for mode 3. A similar foreign equity limitation is introduced for courier services, while there is no national treatment limitation. While the entire subsector is unbound under the GATS, partial commitments are made for telecommunication services²⁸ with some conditions and limitations. Commercial presence with a maximum foreign equity of 49% is permitted for all the covered telecommunication sectors. Commercial presence for market access for mode 1 is also required for all covered subsectors, while market access in mode 2 is subject to residents being allowed to purchase services in the territory of India according to the regulatory frameworks of the UAE and India. Partial commitments are also made for audio-visual services (which are unbound in the GATS). Mode 1 is subject to obtaining licenses and approvals from competent UAE media authorities, mode 2 is fully opened, and mode 3 is subject to a foreign equity ceiling of 49% and license requirements. No national treatment is granted under mode 3.

4.52. Additional rules and disciplines on telecommunication services are included in Annex 8C of the Agreement (See section 4.6.1).

4.4.2.2.3 Construction and related engineering services

4.53. While the entire sector is fully liberalized under the GATS, restrictions and/or limitations are introduced under the Agreement. Construction and related engineering services provided through mode 1 are unbound, and foreign equity ownership limitations for market access through mode 3 have been introduced.

4.4.2.2.4 Distribution services

4.54. While the entire sector is unbound under its GATS commitments, the UAE undertakes partial commitments under the Agreement for wholesale trade services, retailing services, and franchising through mode 3, although subject to maximum foreign equity ownership of 49%.

4.4.2.2.5 Educational services

4.55. The entire sector is unbound under the GATS. The UAE makes full commitments in modes 1-2 and a partial commitment in mode 3 for the sector, excluding public education falling under 'other education services'. Market access for mode 3 is subject to obtaining authorization, the suitability of school facilities and ensuring a high-quality level of education.

²⁷ Relating to ships, other transport equipment, and other machinery and equipment services.

²⁸ The schedule on basic telecommunication does not include broadcasting services according to the UAE Telecommunication and Digital Government Regulatory Authority (TDRA) regulatory framework on different issues including but not limited to the spectrum licence.

4.4.2.2.6 Environmental services

4.56. While the entire sector is fully liberalized under the GATS, new restrictions and/or limitations have been introduced under the Agreement. Environmental services provided through mode 3 are now subject to foreign equity ownership limitations of 70% for up to 7 years from the date of entry into force of the Agreement, following which the limit will be lifted. Additionally, modes 1-2 remain unbound for certain other environmental services, such as treatment and remediation of contaminated/polluted soil and water.

4.4.2.2.7 Financial services

4.57. The UAE has partial commitments under the GATS in banking and other financial services, with mode 3 market access unbound for new licenses for the operation of bank branches and to expand the activities of existing financial entities. While insurance services are not bound in the GATS, partial commitments are made for almost all the subsector under the Agreement. For life insurance services, mode 1 requires commercial presence, mode 2 is unbound, and for mode 3, an economic needs test and commercial presence are mandatory, with a foreign equity ceiling of 25% and restrictions on joint ventures in the UAE. Similar commitments are extended to non-life insurance services, but mode 2 is also open for services related to the marine and aviation sectors, and there is no foreign equity ceiling for mode 3. In banking services, the commitments are largely the same as in the GATS, with some new limitations, such as a foreign equity ceiling of 49% for mode 3.

4.58. The Schedule of specific commitments of the UAE under the Agreement also includes some horizontal commitments for financial services. These include no foreign equity restrictions for activities carried out in the Dubai International Financial Centre (DIFC) for certain banking services.²⁹ Furthermore, in insurance and insurance-related services, commercial presence is subject to the licensing and registration of foreign companies in the UAE's relevant laws, and measures for prudential reasons. After five years of the Agreement's entry into force, the UAE will review and evaluate the possibility of offering a commitment for services auxiliary to insurance.

4.4.2.2.8 Health related and Social Services

4.59. While the sector is unbound in its GATS commitments, the UAE has taken partial commitments for hospital services and other human health services. There are no restrictions or limitations in modes 1-2. However, market access under mode 3 requires an economic needs test (except if the service is provided in Dubai Health Care City) and authorization from the competent authorities, with no limitations on national treatment. Social services and other categories continue to remain unbound as under the GATS.

4.4.2.2.9 Tourism and travel related services

4.60. Hotel and restaurant services, as well as tourist guide services, are fully liberalized under the GATS. However, the Agreement imposes foreign equity ownership limits of 49% for hotel and tourist guide services and 70% for restaurant services and new partial commitments are taken for travel agencies and tour operators which liberalize modes 1-2, while leaving mode 3 unbound.

4.4.2.2.10 Recreational, cultural and sporting services

4.61. While the entire sector is unbound in the GATS, the UAE has made a number of partial commitments under the Agreement. Regarding entertainment services, modes 1-2 are fully liberalized, and market access through mode 3 is subject to a 49% foreign equity limit with no limitations on national treatment. Market access commitments with no limitations on mode 3 are also undertaken for news agency services, while the other modes of supply remain unbound. Similarly, a commitment with a 75% foreign equity limit has been extended to sporting and other

²⁹ Investment banking, corporate banking, and private banking; capital markets including equity, debt instruments, derivatives, and commodity trading; asset management and fund registration; insurance and re-insurance; Islamic Finance; business processing operations; and ancillary services.

recreational services (parks and public gardens services). Additionally, full commitments in modes 1-2 are made for library services, leaving mode 3 unbound.

4.4.2.2.11 Transport services

4.62. The entire sector is unbound under the GATS. Under the Agreement, the UAE has made some partial commitments. Full commitments have been made on modes 1-2 for international transport services (freight and passengers, excluding cabotage transport services, including maintenance and repair of vessels). However, market access through mode 3 is subject to foreign equity limits of 49% for freight transport and 70% for passenger transport, while no limitations have been imposed for national treatment. Similar commitments with a foreign equity limit of 49% are extended to some maritime auxiliary services.³⁰ Under air transport services, maintenance and repair of aircraft and their parts, as well as computer reservation systems, are fully liberalized. In addition, rail transport services are fully liberalized, while the other subsectors of transport services continue to remain unbound.

4.5 Regulatory provisions

4.5.1 Domestic regulation

4.63. Article 8.10 of the Agreement closely resembles Article VI of GATS. Furthermore, the Parties agree to review the results of GATS negotiations on Article VI.4 with the objective of incorporating them into the Agreement.

4.5.2 Recognition

4.64. Article 8.11 refers to the recognition of service suppliers and incorporates some of the provisions of Article VII of the GATS. The Parties shall encourage professional bodies to negotiate mutual recognition agreements in architecture, engineering, medical doctors, dental, accounting and auditing, nursing, veterinary, and company secretaries sectors. Progress should be reported to the Joint Committee. For other regulated sectors, bilateral negotiations should be pursued for the mutual recognition of qualifications and licensing requirements upon request from either Party. The Parties aim to enhance cooperation, organize bilateral discussions on skill sets, and pursue mutually acceptable standards in important service sectors. The dispute settlement mechanism under Chapter 15 does not apply to any disputes arising from agreements or arrangements on mutual recognition.

4.5.3 Subsidies

4.65. Subsidies or grants are outside the scope of Chapter 8 on trade in services (Article 8.2). However, the Parties agree to evaluate how their subsidies associated with trade in services are addressed, considering progress in negotiations in multilateral disciplines outlined in paragraph 1 of Article XV of the GATS (Article 8.15).

4.5.4 Safeguards

4.66. The Agreement does not prohibit the application of safeguard actions. However, the Parties agree to evaluate the treatment of emergency safeguard measures, taking into account the results of negotiations as outlined in Article X of the GATS. If a Party intends to initiate an emergency safeguard investigation based on these negotiation results, it must request consultations with the other Party (Article 8.14).

³⁰ Including storage and warehousing services, container station and depot services, maritime agency services, maritime freight forwarding services.

4.5.5 Other

4.5.5.1 Monopolies and exclusive service suppliers

4.67. The provisions on monopolies and exclusive service suppliers in Article 8.12 replicate those of Article VIII of the GATS.

4.68. Under Article 8.13, the Parties also recognise that certain business practices of service suppliers, other than those falling under the provisions on monopolies and exclusive service suppliers may restrain competition and thereby restrict trade in services. Article 8.13 mirrors the provisions on business practices in Article IX of the GATS, including with regards to consultations between the Parties.

4.5.5.2 Investment

4.69. In Chapter 12 (investment and trade) the Parties acknowledge the existence of the India-UAE Bilateral Investment Agreement signed in 2013 and commit to replace it with a new agreement by June 2022 through ongoing negotiations (Article 12.1).

4.70. The Parties affirm their desire to promote an alternative investment climate and expand trade in goods and services. They also agree to establish a UAE-India Technical Council on Investment and Trade Promotion and Facilitation consisting of representatives from both Parties.³¹ The Council's main objectives include promoting and strengthening investment and trade cooperation between the Parties, monitoring and identifying opportunities for expanding investment and trade, and addressing relevant issues. It may conduct consultations on specific matters of interest, work towards enhancing investment and trade flows, and strive to remove obstacles that hinder such flows. Furthermore, the Council seeks input from the private sector when appropriate, regarding matters related to its work (Article 12.4). The Council may convene at a mutually agreed venue and time. Either Party can bring up a specific investment or trade matter by submitting a written request, and the Council shall promptly address it unless the requesting Party agrees to delay the discussion. The Parties are encouraged to resolve issues in an amicable manner, aligning with the goal of promoting trade and investment. No dispute settlement mechanism shall apply to Chapter 12.

4.6 Sector specific provisions on trade in services

4.6.1 Telecommunications³²

4.71. Annex 8C on telecommunications builds upon the GATS and its Annexes on Telecommunications including the Reference paper of the WTO Negotiating Group on Basic Telecommunications of 24 April 1996. It applies to measures affecting trade in telecommunication services under the framework of Chapter 8 (trade in services) but not to measures affecting broadcasting services as defined by the laws and regulations of the Parties. In addition, nothing in the Annex requires a Party to authorize service suppliers from the other Party to establish, construct, acquire, lease, operate, or supply telecommunications networks or services other than those provided in the Parties' Schedule of specific commitments; or services not generally offered to the public (Article 1).

4.72. Under Article 3, the disciplines on access to, and use of, public telecommunications transport networks and services mirror the GATS Annex (paragraph 5) on telecommunications. Article 4 contains provisions on ensuring interconnection to the public telecommunication network, while Article 5 has a commitment to provide number portability for mobile services. Article 6 restricts suppliers of public telecommunication networks or services of one Party from imposing unfair or discriminatory conditions or limitations on resale services by a supplier of public telecommunications networks or services of the other Party.

³¹ For the UAE, the Council will be chaired by the Under Secretary of the Ministry of Finance or an authorized representative, and for India, it will be chaired by the Joint Secretary (or equivalent) of the Department for Promotion of Industry and Internal Trade.

³² The Articles referred to in this section are from Annex 8C unless otherwise specified.

4.73. Annex 8C also contains rules on the conduct of major suppliers (Articles 7-10), including treatment by major suppliers, competitive safeguards; interconnection with major suppliers; and provisioning of leased circuit services.³³ Other provisions (Articles 11-16) cover universal service; public availability of licensing criteria; independence of Parties' telecommunications regulatory body and dispute resolution body; the allocation and use of scarce telecommunications resources; the resolution of telecommunications disputes and the appeal process; and transparency on conditions affecting access to and use of public telecommunication networks and services.

4.74. The Parties also make some best endeavour commitments on providing access to submarine cable systems; on the provision of co-location of equipment between major suppliers of one Party and the public telecommunication networks or services of the other Party (Articles 17 and 18).

4.75. Each Party must empower its competent authority to enforce the measures related to the obligations outlined in Article 4 (interconnection to be ensured), Article 5 (mobile number portability), Article 6 (resale), and Article 7 (treatment by major suppliers). These authorities should possess the capacity to impose sanctions, such as financial penalties, injunctive relief (temporary or permanent), or the alteration, suspension, or withdrawal of licenses, to ensure effective enforcement (Article 19).

5 GENERAL PROVISIONS OF THE AGREEMENT

5.1 Transparency

5.1. In addition to the specific transparency provisions in various Chapters of the Agreement, the general transparency provisions of Chapter 1 (initial provisions and general definitions) apply horizontally to the Agreement. Without prejudice to Article 1.8 (confidential information), each Party must make their laws, regulations, judicial decisions, administrative rulings, and relevant international agreements available to the public. They should also respond to specific questions and provide requested information to each other within a reasonable timeframe. Additionally, the Parties must disclose the names and addresses of the authorities responsible for laws, regulations, and administrative rulings. Efforts should be made to provide such information in English (Article 1.7).

5.2. Each Party must maintain the confidentiality of information designated as such by the other Party. Information provided in confidence should only be used for the purposes specified by the Party providing it. However, confidential information can be shared with a third party if the Party providing it gives prior consent. A Party is not obligated to disclose confidential information that would hinder law enforcement, go against the public interest, or harm the legitimate commercial interests of any business entity (Article 1.8).

5.2 Current payments and capital movements

5.3. There are no provisions on current payments and capital movements in connection to trade in goods under the Agreement.

5.4. With regards to trade in services, except for restrictions to safeguard the balance of payments, a Party shall not apply any restrictions on international transfers and payments for current transactions relating to its specific commitments (Article 8.16). Furthermore, the Parties reaffirm their rights and obligations under the IMF Articles of Agreement, including the use of exchange actions, not allowing capital transactions to be restricted inconsistently with their specific commitments except for balance of payments reasons or at the request of the IMF.

5.3 Exceptions

5.5. Exceptions, which apply to the Agreement horizontally, are in Chapter 16.

³³ These are built on the reference paper of the WTO negotiating group on basic telecommunications of 24 April 1996.

5.3.1 General exceptions

5.6. Under Article 16.1, the Agreement incorporates, *mutatis mutandis*, the provisions of GATT Article XX and GATS Article XIV, including its footnotes, on general exceptions applicable to trade in goods and services.

5.3.2 Security exceptions

5.7. The provision on security exceptions (Article 16.2) replicates most of Article XXI of GATT 1994, Article XIV***bis*** of GATS, and Article 73 of the TRIPS Agreement.

5.3.3 Taxation

5.8. Nothing in the Agreement shall apply to any direct tax measure. The Parties reserve their rights and obligations under any tax convention they are party to. If there is any inconsistency between the Agreement and such conventions, the provisions of the conventions shall prevail (Article 16.3).

5.3.4 Balance-of-payments safeguards

5.9. The Parties may take safeguard measures under the Agreement to remedy balance of payments difficulties.

5.10. For trade in goods, the rights and obligations of the Parties with regard to restrictions to safeguard the balance-of-payments shall be governed by Article XII of the GATT 1994. However, they shall try on a best endeavour basis to avoid the imposition of restrictions to safeguard the balance of payments (Article 2.14).

5.11. Concerning trade in services, under Article 8.17, the Agreement mirrors the provisions of GATS Article XII. In addition, to the extent that it does not duplicate the process under the WTO and IMF, the Party adopting any balance of payments (BOP) restrictions on trade in services shall, upon request by the other Party, commence consultations with the other Party to review the restrictions adopted by it.

5.3.5 Other exception

5.12. Through side letters³⁴, the Parties agree to exclude the UAE's 'energy resources sector' from the scope of the Agreement. The energy resources sector includes all hydrocarbons such as oil, gas, and condensates, as well as their derivatives and primary by-products, in terms of ownership, management, exploration, development, production, exploitation (including reservoir management), transportation, storage, refining and processing, and distribution up to and including retail distribution. However, if the UAE, in concurrence with the competent authorities of the Member Emirates, decides to grant any rights pertaining to the energy resources sector to a third party through an RTA after the Agreement has come into force, those same rights will also be extended to India. The dispute settlement provisions of the Agreement do not apply to the energy resources sector. However, any disputes regarding the side letters themselves may be addressed through consultations under Chapter 15 (dispute settlement), specifically Articles 15.6, except paragraph 8.

5.4 Accession and withdrawal

5.13. A country, group of countries, or customs territory may join the Agreement subject to the terms and conditions agreed between the acceding party and the Parties to the Agreement. Upon approval, in accordance with the respective internal legal procedures of the acceding party and the Parties, an instrument of accession must be deposited with the Joint Committee. The accession becomes effective 60 days from the date of deposit (Article 18.3).

³⁴ On 08 February, the Parties exchanged letters and agreed to include them as an integral part of the Agreement.

5.14. By written notice, either Party may terminate the Agreement; termination takes effect on the first day of the six months following the date of such notice (Article 18.4).

5.5 Institutional framework

5.15. A Committee on Trade in Goods is established under Article 2.10 for monitoring, reviewing measures, exchanging information, preparing technical amendments, and assisting the Joint Committee on issues related to trade in goods. It may also establish subcommittees, particularly on customs procedures and trade facilitation, technical barriers to trade, sanitary and phytosanitary measures, and trade remedies. Each Party has the right to be represented in the committee, which acts by consensus. The committee meets at least every two years and is jointly chaired by India and the UAE.

5.16. In addition to Committee on Trade in Goods and Sub-Committees established for specific provisions under the Agreement, Chapter 17 (administration of the Agreement) establishes a Joint Committee comprised of representatives from both Parties, which has the authority to establish Sub-Committees or working groups as needed. The Joint Committee meets regularly to review and monitor the Agreement's operation, consider amendments, endeavour to amicably resolve disputes, coordinate committee/subcommittee work, propose interpretations, explore possibilities to further enhance trade relations, and address other matters affecting the Agreement. The Joint Committee has the power to adopt decisions, establish its working procedures, and conduct meetings in person or through other means agreed upon by the Parties (Article 17.1). The Parties confirm that the first meeting of the Joint Committee was held on 11-12 June 2023 in New Delhi.

5.17. Article 17.2 requires that each Party must designate a contact point to facilitate official communications between the Parties regarding any matters concerning the Agreement. The Parties confirm that the contact points have already been designated.

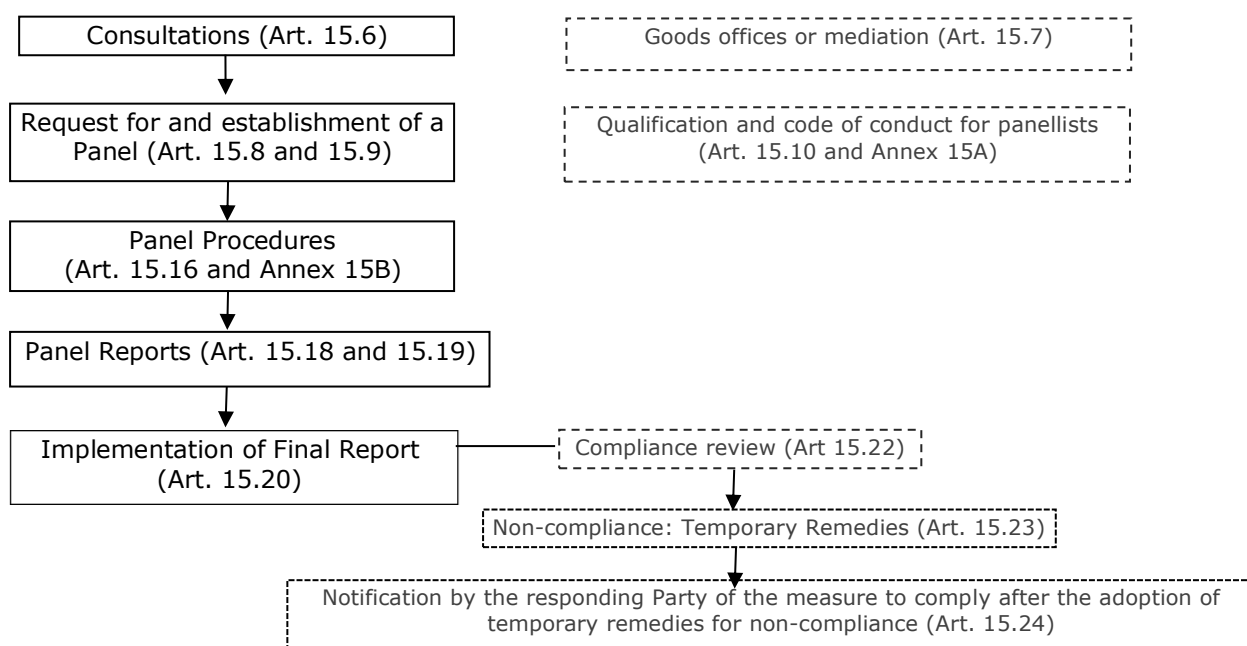
5.6 Dispute settlement

5.18. Chapter 15 governs disciplines on dispute settlement under the Agreement. Except otherwise provided under any specific provision of the Agreement, it applies to the avoidance or settlement of disputes on any matter affecting the operation, implementation or application of the Agreement (Article 15.3). Through cooperation, the Parties agree to make every effort to achieve a mutually satisfactory resolution for any matter that could affect the operation of the Agreement (Article 15.2). They also agree to designate their respective contact points within 30 days from the date of entry into force of the Agreement to facilitate communications on any dispute initiated under the Chapter.³⁵

5.19. A panel established under Chapter 15 shall interpret the covered provisions of the Agreement in accordance with the customary rules of public international law, including those codified in the Vienna Convention on the Law of Treaties. The Panel may also take into account relevant interpretations found in previous reports issued by panels established under the Chapter, as well as reports of panels and the WTO Appellate Body adopted by the WTO's Dispute Settlement Body (Article 15.15).

5.20. Article 15.26 provides the Parties with a choice of forum between the Agreement and other international trade agreements they are party to, including the WTO Agreement. If a complaining Party selects a forum in which to resolve the dispute, that forum shall be used to the exclusion of other fora. The rest of the provisions of Chapter 15 are largely modelled on WTO dispute settlement disciplines, on consultations; good offices, or mediation; and arbitration (see Figure 5.1).

³⁵ The Parties confirm that the contact points have already been designated.

Figure 5.5.1 Dispute Settlement Mechanism under the Agreement

Source: WTO Secretariat based on the Agreement.

5.21. The Parties shall endeavour to resolve any dispute under the Agreement through consultations following the procedure described in Article 15.6. If consultations fail to resolve the dispute, following a request to establish a panel by the complaining Party (Article 15.8), a panel consisting of three panellists shall be established as per Article 15.9. The panel shall issue an interim report to the Parties within 90 days (45 days in urgent cases) and final report within 120 days (60 days in urgent cases) from its composition (Articles 15.18-15.19), unless the Parties agree otherwise. The responding Party shall take all necessary measures to comply with the panel ruling in good faith and without delay (Article 15.20).

5.22. The responding Party must notify a reasonable period of time to comply with the final report to the complaining Party within 30 days of its receipt. If there is disagreement between the Parties regarding the duration of this reasonable period, the complaining Party can request the original panel to determine it. On or before the agreed deadline, the responding Party must notify the complaining Party about the progress made in implementing measures to comply with the final report. If there is disagreement between the Parties regarding the adequacy of the compliance measures, the complaining Party can submit a written request to the original panel for a ruling (15.22), and temporary remedies under Article 15.23 for non-compliance may be applied. These remedies may include the temporary suspension of benefits or obligations³⁶ under the Agreement towards the responding Party or arrangement of any necessary compensation. Any disagreement between the Parties concerning the temporary measures taken by the complaining Party can be referred to the Panel for resolution.

5.23. Following the application of a temporary remedy under Article 15.23, the responding Party shall notify the complaining Party of the measures taken to comply with the panel ruling. The complaining Party must end the suspension of benefits within 30 days of receipt of the notification. Similarly, in a situation where compensation has been agreed upon, the responding Party may terminate the application of said compensation. If the Parties disagree on whether the measure brings the responding Party into conformity with the provisions in question within 30 days of the notification, the complaining Party may request the original panel to rule on the matter. If the panel

³⁶ The suspension of benefits or obligations should be commensurate with the nullification or impairment resulting from the responding Party's failure to comply with the final report, and it should solely impact the benefits accruing to the responding Party under the Agreement.

rules that the measure taken to comply is in accordance with the provisions of the Agreement, the suspension of obligations or compensation shall be terminated (Article 15.24).

5.7 Relationship with other agreements concluded by the parties

5.24. The Parties reaffirm their rights and obligations towards each other under the WTO Agreement and other agreements to which they are party. If there is a conflict between the Agreement and any other agreements that both parties are party to, they agree to engage in immediate consultations to resolve the inconsistency and reach a mutually acceptable solution (Article 1.5)

5.25. Table 5.1 below shows the Parties' RTAs, notified and non-notified, other than the Agreement.

Table 5.1 India and UAE: Participation in other RTAs (notified and non-notified in force), as of 15 December 2023

RTA Name	Date of entry into force ^a	Coverage	GATT/WTO Notification	
			Year	WTO Provisions
INDIA				
India – Australia	29-Dec-22	Goods & Services	2023	GATT Art. XXIV & GATS Art. V
India – Mauritius	01-Apr-21	Goods & Services	2021	Enabling Clause & GATS Art. V
India - Japan	01-Aug-11	Goods & Services	2011	GATT Art. XXIV & GATS Art. V
India - Malaysia	01-Jul-11	Goods & Services	2011	Enabling Clause & GATS Art. V
ASEAN - India	01-Jan-10 01-Jul-15	Goods Services	2010 2015	Enabling Clause GATS Art. V
Republic of Korea - India	01-Jan-10	Goods & Services	2010	GATT Art. XXIV, Enabling Clause & GATS Art. V
India - Nepal	27-Oct-09	Goods	2010	Enabling Clause
Southern Common Market (MERCOSUR) - India	01-Jun-09	Goods	2010	Enabling Clause
Chile - India	17-Aug-07	Goods	2009	Enabling Clause
India - Bhutan	29-Jul-06	Goods	2008	Enabling Clause
South Asian Free Trade Agreement (SAFTA)	01-Jan-06	Goods	2008	Enabling Clause
• SAFTA - Accession of Afghanistan	07-Aug-11	Goods	2016	Enabling Clause
India - Singapore	01-Aug-05	Goods & Services	2007	GATT Art. XXIV & GATS Art. V
India - Thailand	01-Sep-04	Goods	2017	Enabling Clause
India - Afghanistan	13-May-03	Goods	2010	Enabling Clause
India - Sri Lanka	01-Mar-00	Goods	2002	Enabling Clause
South Asian Preferential Trade Arrangement (SAPTA)	07-Dec-95	Goods	1997	Enabling Clause
Global System of Trade Preferences among Developing Countries (GSTP)	19-Apr-89	Goods	1989	Enabling Clause
Asia Pacific Trade Agreement (APTA)	17-Jun-76 17-Sep-13	Goods Services	1976 2019	Enabling Clause GATS Art. V
• APTA - Accession of Mongolia	01-Jan-21	Goods & Services	Not notified	
• APTA - Accession of China	01-Jan-02	Goods	2004	Enabling Clause
SAARC Agreement on Trade in Services (SATIS)	29-Nov-12	Services	Not notified	
UNITED ARAB EMIRATES				
EFTA - Gulf Cooperation Council (GCC)	01-Jul-14	Goods & Services	2022	GATT Art. XXIV & GATS Art. V
Gulf Cooperation Council (GCC) - Singapore	01-Sep-13	Goods & Services	2015	Enabling Clause & GATS Art. V
Morocco - United Arab Emirates	09-Jul-03	Goods & Services	2019	Enabling Clause

RTA Name	Date of entry into force ^a	Coverage	GATT/WTO Notification	
			Year	WTO Provisions
Gulf Cooperation Council (GCC)	01-Jan-03	Goods	2006	GATT Art. XXIV & Enabling Clause
Pan-Arab Free Trade Area (PAFTA) ^b	01-Jan-98	Goods	2006	GATT Art. XXIV
• PAFTA - Accession of Algeria	01-Jan-09	Goods	Not notified	
• PAFTA - Accession of Palestine	01-Jan-98	Goods	Not notified	

a Dates of the entry into force for at least one of the Parties.

b The notification made in 2006 (WT/REG223/N/1) indicated that the Parties to the PAFTA were: Bahrain; Egypt; Iraq; Jordan; Kuwait; Lebanon; Libya; Morocco; Oman; Qatar; Saudi Arabia; Sudan; Syria; Tunisia; the United Arab Emirates and Yemen. The Treaties of Accessions of Algeria and Palestine are yet to be notified.

Source: WTO Secretariat. Further information on these agreements and on specific dates of entry into force/provisional applications may be found in the WTO Database on RTAs: <http://rtais.wto.org>.

5.8 Government procurement

5.26. Chapter 10 of the Agreement applies to government procurement of goods or services specified in the Parties' respective Schedules in Annex 10A (for India) or Annex 10B (for the UAE) that exceed the value thresholds inscribed therein.³⁷ The threshold for India is SDR 20 million for each category, including goods, services, and construction services, while for the UAE, the thresholds are set at SDR 0.134 million for goods and services, and SDR 5.844 million for construction services. The Chapter does not affect the rights and obligations of Chapters 2 (trade in goods) and 8 (trade in services). There are exceptions, such as the acquisition or rental of land or existing buildings, non-contractual agreements or assistance provided by a Party, certain financial services, public employment contracts, and specific types of procurement related to international assistance, international organizations, or agreements regarding the stationing of troops or joint project implementation (Article 10.3).

5.27. Although neither Party is party to the WTO Government Procurement Agreement (GPA)³⁸, the Chapter largely mirrors the WTO GPA. Article 10.22 addresses the facilitation of participation by micro, small, and medium enterprises (MSMEs). The Parties reserve their rights to apply preferential procurement policies for their MSMEs, according to their respective laws and regulations.³⁹ However, they must ensure transparent eligibility criteria for preferential treatment and facilitate MSME involvement by providing comprehensive procurement information, free tender documentation, electronic methods, and considering factors such as size, design, and subcontracting.

5.28. Chapter 15 (dispute settlement) does not apply to Chapter 10. However, the Parties shall hold a review after three years from the Agreement's entry into force and may consider applying Chapter 15 to Chapter 10 or parts of it. The review shall be completed within four years from the Agreement's entry into force.

5.9 Intellectual property rights (IPRs)

5.29. Chapter 11 governs IPRs and consists of eight sections (general provisions, cooperation, trademarks, country names, geographical indications, patents, and undisclosed test or other data, copyrights and related rights, and enforcement). The objective of the Chapter is the protection and enforcement of intellectual property rights which should contribute to technological innovation, technology transfer, and social and economic welfare. It emphasizes the need for a balance of rights and obligations between producers and users of technological knowledge (Article 11.2). The Parties shall comply with the rules of the Chapter; they may offer stronger protection or enforcement of intellectual property rights under their own laws but are not obliged to do so unless it aligns with

³⁷ The Schedules consist of five sections. Section 'A' lists the government entities for which procurement is applicable including thresholds for covered goods, services, and construction services. Section 'B' specifies the services covered by Chapter 10, excluding construction services. Section 'C' specifies the construction services covered by the chapter. General notes are provided in Section 'D', and Section 'E' contains procurement information.

³⁸ India has been an observer to the GPA since 10 February 2010.

³⁹ India confirms that it has preferential procurement policies in place for MSMEs.

the Chapter. Each Party is free to decide how to implement the rules of the Chapter within its own legal system and practices (Article 11.5). The Parties reaffirm their rights to utilize flexibilities in the TRIPS Agreement and the Doha Declaration on the TRIPS Agreement and Public Health (Article 11.6). Nothing in the Agreement prevents a Party from determining whether or under what conditions the exhaustion of intellectual property rights applies under its legal system.⁴⁰ Each Party shall endeavour to, subject to its law, make available on the internet information that it makes public concerning applications for trademarks, geographical indications, patents, designs, plant variety rights, and copyright.

5.30. Under Cooperation (Section B, Articles 11.12-11.14), the Parties aim to collaborate on various issues including coordinating efforts, exchanging information, and providing training between their intellectual property offices or other relevant institutions.⁴¹ The Parties emphasize the importance of improving quality and efficiency in their patent offices, simplifying procedures, and sharing search and examination work. Cooperation activities are conducted upon request, subject to mutual agreement and resource availability.

5.31. On trademarks (section C, Articles 11.15-11.22), the scope of protection follows the WTO's TRIPS Agreement and Article 6*bis* of the Paris Convention shall apply, *mutatis mutandis*, to goods or services that are not identical or similar to those identified by a well-known trademark.⁴² Each Party shall have procedures for trademark examination, opposition, and cancellation, providing opportunities for applicants to respond and appeal decisions. The classification of goods and services should follow the Nice Classification system, and multiclass applications are allowed. The term of trademark protection should be at least ten years as in the TRIPS Agreement and limited exceptions follow Article 17 of the TRIPS Agreement. Section D on Country Names requires each Party to provide the legal means for interested persons to prevent the commercial use of the country name of a Party in relation to a good in a manner that misleads consumers about the origin of that good.

5.32. On geographical indications (GIs) (section E, Articles 11.24-11.25), the Parties agree to ensure in their respective laws, adequate and effective means to protect GIs through trademarks, a sui generis system, or other legal means, as long as the requirements of the WTO TRIPS Agreement are met. GIs can apply to agricultural goods, natural goods, manufactured goods, including industry products, handicrafts, and foodstuffs. The Parties shall also have procedures in place that allow interested persons to oppose the protection of a GI in accordance with their laws.

5.33. Concerning patents and undisclosed test or other data under Section F (Articles 11.26-11.29), there are provisions on grace periods, exceptions to patent rights, protection of genetic resources, traditional knowledge, and traditional cultural expressions. Section F also addresses the protection of undisclosed test or other data for pharmaceutical products. Information in public disclosures to determine novelty or inventiveness may be disregarded if the disclosure is by the patent applicant within twelve months prior to the date of filing. No period of protection is provided by the Agreement. Exceptions to patent rights are permitted as long as they do not unreasonably conflict with normal exploitation and prejudice the legitimate interests of the patent owner. The Parties, subject to their international obligations, will establish appropriate measures for protecting genetic resources, traditional knowledge, and traditional cultural expressions. Disclosures of genetic resources and prior art related to traditional knowledge can be taken into account during patent examination. Protection of undisclosed test or other data is required for new pharmaceutical products, with exceptions allowed for public health concerns such as the Declaration on TRIPS and Public Health.

5.34. Provisions on copyright and related rights (Section G, Articles 11.30-11.33) focuses on the rights of reproduction, distribution, and communication for authors, performers, and producers of phonograms during the period of protection. Protection of technological measures and rights management information is emphasized, along with limitations and exceptions to exclusive rights,

⁴⁰ this is without prejudice to any provisions addressing the exhaustion of intellectual property rights in international agreements to which a Party is party.

⁴¹ Cooperation areas encompass policy developments, administration systems, education, SMEs, science and technology, technology transfer, research, multilateral agreements, assistance to developing countries, genetic resources, traditional knowledge, cultural expressions, and geographical indications.

⁴² A Party may require an adequate description, which can be represented graphically, of the trademark.

which should not conflict with normal exploitation and should not unreasonably prejudice the rights holder's legitimate interests.

5.35. India confirms that the duration of protection for patents and copyrights under the Agreement will be determined in accordance with the domestic regulations of the Parties and their obligations under the WTO TRIPS Agreement.

5.36. Under Section H (enforcement), the Parties agree to establish enforcement procedures in their laws to effectively address intellectual property rights infringements including swift remedies to prevent infringements and serve as a deterrent for future violations. The procedures shall be applied in a way that does not create barriers to legitimate trade and includes safeguards against their misuse or abuse.

5.10 Competition

5.37. The Agreement does not contain specific provisions on competition. However, under Chapter 14 (economic cooperation), the Parties acknowledge the importance of cooperation in competition policy and may exchange information, cooperate on capacity building, and consult on matters related to merger regulation and anti-competitive practices. They may also collaborate on competition assessments of global mergers and acquisitions while respecting the protection of confidential information and the autonomy of each Party's domestic competition laws (Article 14.4).

5.11 Environment

5.38. The Agreement does not contain specific provisions on Environment. However, under Chapter 14 (economic cooperation), the Parties acknowledge the importance of trade and environmental policies in promoting environmental protection and sustainable development. Each Party has the right to establish its own environmental protection levels and policies and will strive to ensure high levels of environmental protection, enforce environmental laws effectively, and respect the discretion of each Party in decision-making and resource allocation for environmental enforcement. The Parties recognize the significance of multilateral environmental agreements and commit to their implementation (Article 14.5). Nothing in the Article 14.5 grants authority for one Party's authorities to enforce environmental laws in the territory of the other Party.

5.12 Labour

5.39. The Agreement does not contain general provisions on Labour except those identified under provisions on mode 4 of trade in services (Chapter 8).

5.13 Electronic commerce

5.40. The provisions of Chapter 9 (digital trade) apply to measures that impact trade through electronic means between the Parties except for government procurement or information held or processed by or on behalf of a Party, or measures related to such information, including measures related to its collection. Measures affecting the supply of goods or services performed or delivered electronically are subject to the relevant provisions of the respective Chapters in the Agreement. In the event of any conflict between Chapter 9 and other Chapters, the provisions of the other Chapters prevail, and dispute settlement under Chapter 15 does not apply to Chapter 9 (Article 9.3).

5.41. The Parties aim to promote paperless trading by digitizing trade administration documents and treating electronic submissions as equivalent to paper versions (Article 9.4). They will strive to maintain legal frameworks with the UNCITRAL Model Law on Electronic Commerce (1996) (Article 9.5). Article 9.6 prohibits invalidating digital or electronic signatures unless permitted by the domestic laws of the Parties. The Parties agree to endeavour to collaborate on digital identity regimes, fostering connectivity and digital trade growth (Article 9.7). They aim to implement cross-border measures related to digital invoicing based on international frameworks (Article 9.16) and support secure cross-border digital payments (Article 9.17). Best endeavour commitments are made to adopt or maintain laws on consumer protection, unsolicited messages, and personal data protection (Articles 9.8-9.10). Cooperation on open data and digital transformation of government

processes is sought, including artificial intelligence implementation and skill enhancement (Articles 9.12-9.13).

5.42. The Parties agree to cooperate to promote each other's digital products created, produced, published, and stored in each other's territories, involving authors, performers, producers, or developers from either Party. Exceptions may apply as outlined in the Agreement or its Annexes, and excluding measures affecting pre-scheduled series where consumers lack control over scheduling (Article 9.14).

5.43. The Parties agree to maintain their duty-free practices for electronic transmissions. Internal taxes, fees, or charges are permissible if they align with the Agreement. Adjustments can be made based on WTO Decisions on customs duties in electronic transmission within the Work Programme on Electronic Commerce (Article 9.15).

5.44. Article 9.18 highlights consumer rights to access and utilize preferred internet services, applications, and device connectivity, in line with relevant laws and regulations of the Parties, while Article 9.19 outlines the Parties' commitment to promoting secure digital trade and addressing cybersecurity threats.

5.45. The Parties shall endeavour to maintain a regulatory dialogue on digital trade (Article 9.20), sharing information and experiences. It covers various aspects, including online consumer protection, personal data protection, anti-money laundering, unsolicited commercial electronic messages, authentication, intellectual property, SME challenges, digital government, digital identities, and other agreed areas.

5.14 Small and medium-sized enterprises (SMEs)

5.46. The Parties acknowledge the importance of SMEs in maintaining economic dynamism and competitiveness, and they commit to fostering close cooperation and promoting job creation and growth within SMEs. The involvement of the private sector is recognized as integral to the implementation of SME cooperation. To enhance trade and investment opportunities for SMEs, the Parties agree to collaborate by promoting cooperation between their small business support infrastructure, supporting SMEs owned by women and youth, exchanging information on improving SME access to capital and government procurement, and encouraging the use of mobile or web-based platforms for SME networking (Article 13.2).

5.47. The Parties also agree to establish or maintain a publicly accessible website containing information about the Agreement and in particular relevant provisions for SMEs and additional information to help them benefit from the Agreement. The information may cover customs regulations, intellectual property, technical standards, investment programs, taxation, employment regulations, and other relevant topics. (Article 13.3).

5.48. A Committee on SME Issues (SME Committee) is established under Article 13.4, composed of representatives from each Party. Its responsibilities include, identifying ways to support SMEs in leveraging commercial opportunities under the Agreement, promoting cooperation between their SMEs, exchanging experiences and best practices, organizing informative activities for SMEs, exploring capacity-building opportunities, and coordinating with other committees. The SME Committee shall meet annually and may collaborate with experts when necessary. The Parties confirm that, during the first meeting of the Joint Committee held on June 11-12, 2023, it was decided to convene a SME Committee meeting by the end of the year.

5.49. Chapter 15 (dispute settlement) does not apply to Chapter 13 on SMEs (Article 13.5).

5.15 Other

5.15.1 Cooperation

5.50. Chapter 14 on Economic Cooperation aims to promote cooperation between the Parties to liberalize trade and investment, foster economic growth, maximize the benefits of the Agreement, facilitate trade and investment, improve market access, and contribute to sustainable inclusive

economic growth and prosperity (Article 14.1).⁴³ The Joint Committee is responsible for adopting an Annual Work Programme on Economic Cooperation Activities, which shall be based on proposals from both Parties. The Parties may modify the agreed list of cooperation activities and add additional areas through the Annual Work Programme.

5.51. For the effective implementation and operation of the Chapter, a Committee on Economic Cooperation (CEC) is established under Article 14.8, reporting to the Joint Committee. Its functions include, monitoring and assessing implementation, identifying new opportunities, formulating Annual Work Program proposals, coordinating and reviewing progress, suggesting amendments, and cooperating with other Committees.

5.52. Recognising the importance of air transport operations to their respective economies, the Parties also agree to cooperate in the sector (Article 14.6).

5.53. Chapter 15 (dispute settlement) does not apply to Chapter 14 (Article 14.9).

⁴³ Article 14.2 lists the focus areas of economic cooperation which include manufacturing industries, agriculture, forestry and fisheries, trade and investment promotion, human resource development, tourism, information and communications technology, electronic commerce promotion, trade in environmental goods and services, media, and energy.

ANNEX 1**INDICATORS OF TARIFF LIBERALIZATION AND MARKET ACCESS
OPPORTUNITIES UNDER THE AGREEMENT**

1. Tables A1.1 and A1.2 below present the Parties' overall tariff elimination under the Agreement *vis-à-vis* MFN tariffs by total, agricultural (HS Chapters 01-24) and industrial (HS Chapters 25-97) products.

2. As shown in Table A1.1, India's overall average applied MFN tariff in 2022 was 14.3%, 10.5% for industrial products and significantly higher at 36.9% for agricultural products. The share of duty-free tariff lines was 2.4% overall, 2.6% for industrial and 1.7% for agricultural products. Upon entry into force of the Agreement in 2022, the overall applied tariff for imports from the UAE decreased to 6.4% overall, and 3.3% and 25.3%, respectively, for industrial and agricultural products. This provided exporters from the UAE a relative margin of preference of 55.2% overall and 68.6% for industrial and 31.4% for agricultural products. The share of duty-free lines increased to 64.7% overall and 70.5% and 29.2% respectively, for industrial and agricultural products. At the end of implementation period in 2031, it will further increase to 84.7% overall, 87.6% and 66.6% for industrial and agricultural products respectively.

Table A1.1 India: Indicators of MFN and preferential rates for imports from the UAE

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2022	14.3	14.7	2.4	36.9	37.6	1.7	10.5	10.8	2.6
UAE	2022	6.4	18.2	64.7	25.3	35.7	29.2	3.3	11.2	70.5
	2023	5.8	16.3	64.7	22.6	31.9	29.2	3.0	10.1	70.5
	2024	5.0	14.2	64.7	19.7	27.8	29.2	2.6	8.8	70.5
	2025	4.3	12.2	64.7	16.8	23.8	29.2	2.2	7.6	70.5
	2026	3.6	18.7	80.8	13.9	41.6	66.4	1.9	11.1	83.2
	2027	3.5	18.2	80.8	13.8	41.2	66.4	1.8	10.6	83.2
	2028	3.4	19.7	82.7	13.6	41.0	66.6	1.7	11.7	85.4
	2029	3.4	19.5	82.7	13.5	40.6	66.6	1.7	11.5	85.4
	2030	3.3	19.2	82.7	13.4	40.2	66.6	1.6	11.3	85.4
	2031	3.2	21.2	84.7	13.1	39.3	66.6	1.6	13.1	87.6

Source: Indian Authorities.

3. In the case of the UAE (Table A1.2), its overall average applied MFN tariff in 2021 was 4.7%, and 4.6% for industrial and 5.1% for agricultural products. The share of duty-free tariff lines was 11.2% overall, 8.1% for industrial and 24.1% for agricultural products. Upon entry into force of the Agreement in 2022, the overall applied tariff for imports from India decreased to 0.8%, and 0.8% and 0.4%, respectively, for industrial and agricultural products. This gave exporters from India a relative margin of preference of 83% overall and 82.6% and 92.2% for industrial and agricultural products, respectively. The share of duty-free lines rose to 80.3% overall, and 79.4% and 84.3% respectively for industrial and agricultural products. At the end of implementation in 2031, it will increase to 97.1% overall, 98.6% and 90.6% for industrial and agricultural products respectively.

Table A1.2 UAE: Indicators of MFN and preferential rates for imports from India

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2021	4.7	5.3	11.2	5.1	6.9	24.1	4.6	5.0	8.1
India	2022	0.8	4.1	80.3	0.4	4.3	84.3	0.8	4.1	79.4
	2023	0.6	3.3	80.3	0.4	3.6	84.3	0.7	3.2	79.4
	2024	0.4	2.4	80.3	0.3	3.0	84.3	0.5	2.4	79.4
	2025	0.3	1.6	80.3	0.2	2.3	84.3	0.3	1.5	79.4
	2026	0.1	3.4	94.7	0.2	5.0	90.6	0.1	3.1	95.7
	2027	0.1	3.1	94.7	0.2	5.0	90.6	0.1	2.7	95.7
	2028	0.1	2.7	94.7	0.2	5.0	90.6	0.1	2.3	95.7
	2029	0.1	2.4	94.7	0.2	5.0	90.6	0.1	1.9	95.7
	2030	0.1	2.1	94.7	0.2	5.0	90.6	0.1	1.6	95.7
	2031	0.1	5.0	97.1	0.2	5.0	90.6	0.0	5.0	98.6

Source: WTO estimates based on data from the ITC, WTO.IDB, and Annex 2B of Agreement.

4. Table A1.3 shows market access opportunities for the UAE's top 25 export products (at the HS subheading level) in India, accounting for 79.1% of its global exports in 2019-21. These HS subheadings were covered by 186 products at the national tariff line level in India's tariff in 2022 of which 10 lines were already duty-free on an MFN basis. Upon entry into force of the Agreement in 2022, 94 lines were liberalized for imports from the UAE; and following tariff elimination for 41 lines in 2026, and 4 lines in 2031 37 tariff lines will continue to be subject to MFN rates for imports from the UAE. Average tariffs in 2022 for these products ranged from 5% for wire of refined copper to 51% for motor cars.

Table A1.3 India: Market access opportunities under the Agreement for the UAE's top 25 exports to the world

UAE's top export products in 2019 - 2021			Access Conditions to India's import markets						
HS number and description of the product		Share in global exports (%)	MFN 2022			Duty-free lines under the Agreement			Remaining dutiable
			Avg. MFN applied rate (%)	Number of lines		2022	2026	2031	
				duty- free	duti- able				
270900	Petroleum oils and oils obtained from bituminous minerals, crude	28.8	0.0		1	1			
271012	Light oils and preparations	16.6	3.8		13	9	4		
710812	Gold	7.1	10.0		1				1
271112	Propane	6.5	2.5		1	1			
711319	Articles of jewellery and parts thereof	2.8	20.0		7				7
851713	Smartphones for wireless networks	2.4	20.0		1	1			
851714	Telephones for cellular networks	2.4	20.0		1	1			
710231	Non-industrial diamonds	2.3	0.0	1					
240220	Cigarettes, containing tobacco	1.1	30.0		6				6
760120	Unwrought aluminium alloys	1.1	7.5		5		3	2	
847130	Data-processing machines	0.9	0.0	2					
710239	Diamonds, worked, but not mounted or set	0.9	7.5		2			2	
870324	Motor cars	0.8	51.3		5				5
870323	Motor cars	0.7	51.3		5				5

UAE's top export products in 2019 - 2021			Access Conditions to India's import markets						
HS number and description of the product		Share in global exports (%)	MFN 2022			Duty-free lines under the Agreement			Remaining dutiable
			Avg. MFN applied rate (%)	Number of lines		2022	2026	2031	
				duty- free	duti- able				
740811	Wire of refined copper	0.6	5.0		2				2
880730	Parts of aeroplanes, helicopters	0.6	2.5		1	1			
851762	Machines for the reception, conversion and transmission or regeneration of voice, images or other data	0.6	1.3	7	1				1
271019	Medium oils and preparations	0.5	4.9		34		34		
870899	Parts and accessories, for tractors and motor vehicles	0.4	15.0		1				1
390120	Polyethylene	0.4	7.5		1				1
330300	Perfumes and toilet waters	0.4	20.0		7				7
390210	Polypropylene	0.3	7.5		1				1
300490	Medicaments	0.2	10.0		70	70			
843143	Parts for boring or sinking machinery	0.2	7.5		2	2			
730890	Structures and parts of structures	0.2	10.0		8	8			
	Total of above	79.1		10	176	94	41	4	37

Source: WTO estimates based on the data provided by India and UNSD, Comtrade database.

5. Similarly, Table A1.4 below shows market access opportunities for India's top 25 export products (at the HS subheading level) in the UAE, accounting for 41% of its global exports in 2019-21. These 25 HS subheadings were covered by 83 products at the national tariff line level in the UAE's tariffs in 2021, of which 15 tariff lines were already duty-free on an MFN basis. Of the remaining 68 MFN dutiable lines, duties on imports from India for 65 lines were eliminated upon entry into force of the Agreement in 2022; for 2 tariff lines the duty will be eliminated in 2026 and for 1 line in 2031.

Table A1.4 UAE: Market access opportunities under the Agreement for India's top 25 exports to the world

India's top export products in 2019 - 2021			Access Conditions to UAE's import markets						Remaining dutiable
HS number and description of the product		Share in global exports (%)	MFN 2021			Duty-free lines under the Agreement			
			Avg. MFN applied rate (%)	Number of lines					
				duty- free	duti- able	2022	2026	2031	
271019	Medium oils and preparations	8.3	5.0		15	15			
710239	Diamonds	5.9	5.0		1	1			
300490	Medicaments	4.1	0.0	2					
271012	Light oils and preparations	4.1	5.0		16	16			
711319	Articles of jewellery and parts thereof	2.7	5.0		2	2			
100630	Semi-milled or wholly milled rice	2.3	0.0	1					
030617	Frozen shrimps and prawns	1.4	0.0	1					
760110	Aluminium	1.2	5.0		1		1		
851712	Telephones for cellular networks	1.1	0.0	1					
020230	Frozen, boneless meat of bovine animals	0.9	5.0		2	2			
870322	Motor cars and other motor vehicles	0.8	5.0		9	9			

India's top export products in 2019 - 2021			Access Conditions to UAE's import markets						Remaining dutiable
HS number and description of the product		Share in global exports (%)	MFN 2021			Duty-free lines under the Agreement			
			Avg. MFN applied rate (%)	Number of lines					
				duty- free	duti- able	2022	2026	2031	
841112	Turbojets	0.8	5.0		1			1	
870899	Parts and accessories, for tractors, motor vehicles	0.8	5.0		1	1			
890590	Light-vessels, fire-floats, floating cranes and other vessels	0.8	0.0	3					
290243	p-xylene	0.6	0.0	1					
720839	Flat-rolled products of iron or non-alloy steel	0.6	5.0		1		1		
871120	Motorcycles	0.6	5.0		1	1			
260111	Non-agglomerated iron ores and concentrates	0.6	5.0		1	1			
170199	Cane or beet sugar and chemically pure sucrose	0.5	0.0	6					
711311	Articles of jewellery and parts thereof, of silver	0.5	5.0		1	1			
520100	Cotton	0.5	5.0		1	1			
610910	T-shirts	0.5	5.0		1	1			
260112	Agglomerated iron ores and concentrates	0.5	5.0		1	1			
380891	Insecticides	0.4	5.0		4	4			
870323	Motor cars and other motor vehicles	0.4	5.0		9	9			
	Total of above	41.0		15	68	65	2	1	-

Source: WTO estimates based on data from the ITC, WTO-IDB, Annex 2B of the Agreement, and UNSD, Comtrade.

ANNEX 2

1. Table A2.1 below provide detailed information on TRQs applied by India under the Agreement.

Table A2.1 India: TRQs under the Agreement

Product description	HS Code	Rate of duty (%)										
		Out-quota rate (MFN 2022)	In-quota rate (quantity in metric tonnes unless specified)									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Polyethylene where gravity < 0.94												
39011010 39011020 39011090	7.5	7.0 (45,000)	6.5 (50,500)	6.0 (56,000)	5.0 (61,500)	3.75 (67,500)	3.75 (86,300)	3.75 (105,000)	3.75 (105,000)	3.75 (105,000)	3.75 (105,000)	
Polyethylene where gravity > 0.94												
39012000	7.5	7.0 (150,000)	6.5 (168,000)	6.0 (186,000)	5.0 (204,000)	3.75 (222,000)	3.75 (252,000)	3.75 (285,000)	3.75 (285,000)	3.75 (285,000)	3.75 (285,000)	
Ethylene												
39014010 39014090	7.5	7.0 (45,000)	6.5 (50,500)	6.0 (56,000)	5.0 (61,500)	3.75 (67,500)	3.75 (86,300)	3.75 (105,000)	3.75 (105,000)	3.75 (105,000)	3.75 (105,000)	
Other polymers of ethylene												
39019000	7.5	7.0 (11,000)	6.5 (12,000)	6.0 (13,000)	5.0 (14,000)	3.75 (16,000)	3.75 (20,600)	3.75 (25,000)	3.75 (25,000)	3.75 (25,000)	3.75 (25,000)	
Polypropylene												
39021000	7.5	7.0 (70,000)	6.5 (77,500)	6.0 (85,000)	5.0 (92,500)	3.75 (100,000)	3.75 (129,200)	3.75 (158,500)	3.75 (158,500)	3.75 (158,500)	3.75 (158,500)	
Propylene copolymers												
39023000	7.5	7.0 (50,000)	6.5 (55,00 0)	6.0 (60,000)	5.0 (65,000)	3.75 (70,000)	3.75 (90,900)	3.75 (112,000)	3.75 (112,000)	3.75 (112,000)	3.75 (112,000)	
Other polymers of propylene												
39029000	7.5	7.0 (4,000)	6.5 (4,500)	6.0 (5,000)	5.0 (5,500)	3.75 (6,000)	3.75 (7,700)	3.75 (9,500)	3.75 (9,500)	3.75 (9,500)	3.75 (9,500)	
Polymers of vinyl chloride												
39041010 39041020 39041090 39042100 39043010 39043090	10	9 (60,000)*	8	7	6	5	5	5	5	5	5	
39046910	7.5	7	6.5	6	5	3.75	3.75	3.75	3.75	3.75	3.75	

Product description	HS Code	Rate of duty (%)										
		Out-quota rate (MFN 2022)	In-quota rate (quantity in metric tonnes unless specified)									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
39049010		10	9	8	7	6	5	5	5	5	5	5
39049090		7.5	7	6.5	6	5	3.75	3.75	3.75	3.75	3.75	3.75
Non-monetary gold powder (1% absolute duty reduction over the applied rate)												
71081100		10	(120)	(140)	(160)	(180)	(200)	(200)	(200)	(200)	(200)	(200)
71081200												
71081300												
Articles of jewellery of gold												
71131910		20	19	18 (2200 kg)	17 (2300 kg)	16 (2400 kg)	15 (2500 kg)	15 (2500 kg)	15 (2500 kg)	15 (2500 kg)	15 (2500 kg)	15 (2500 kg)
71131920			(2100 kg)									
71131930												
71131940												
Copper weld wire, other wire of refined copper >6mm (over 5 years (TRQ of 150% of 3 years moving average volume))												
74081110		5	4.0	3.0	2.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
74081190			(85,000)	(95,000)	(105,000)	(115,000)	(125,000)	(Average quantity of years 2 to 4)	(Average quantity of years 3 to 5)	(Average quantity of years 4 to 6)	(Average quantity of years 5 to 7)	(Average quantity of years 6 to 8)
Copper weld wire, other wire of refined copper <6mm (over 5 years (TRQ of 150% of 3 years moving average volume))												
74081910		5	4.0	3.0	2.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
74081920			(270)	(302.5)	(335)	(367.5)	(400)	(Average quantity of years 2 to 4)	(Average quantity of years 3 to 5)	(Average quantity of years 4 to 6)	(Average quantity of years 5 to 7)	(Average quantity of years 6 to 8)
74081990												

* 60,000 metric tonnes of fixed and aggregated quantities apply to all tariff lines related to 'Polymers of vinyl chloride.

Source: Based on data provided by India.

Note: None of these products are subject to India's WTO TRQs.