

Preferential Trade Agreement

**between
Bosnia and Herzegovina
and
the Islamic Republic of Iran**

PREAMBLE

The Council of Ministers of Bosnia and Herzegovina and the Government of the Islamic Republic of Iran hereinafter referred to as the "Contracting Parties";

CONCIOUS of the friendship between their nations;

BEARING in mind the desire to promote mutually beneficial bilateral trade;

EXPECTING that the Preferential Trade Agreement between Bosnia and Herzegovina and the Islamic Republic of Iran hereinafter referred to as the "Agreement", will create a new climate for trade and economic relations between them;

RECOGNIZING that strengthening of their closer economic partnership will bring economic and social benefits and improve the living standards of their peoples;

BEARING in mind that the expansion of mutual trade and economic relations will foster further interaction between the Contracting Parties thus promoting peace and stability;

CONCIOUS that such mutual trade arrangement will contribute to the promotion of closer links with other economies;

BELIEVING that this contractual framework could promote gradually and could also extend to new areas of mutual interests;

HAVING REGARD TO the need to support both countries efforts in accession to the World Trade Organization;

STRESSING the need for the diversification of traded products with a view to fostering further development of their respective economies;

CONSIDERING that the expansion of their domestic markets through commercial cooperation, is an important prerequisite for accelerating the process of economic development of the Contracting Parties; and

RECOGNIZING that progressive reduction and elimination of obstacles to trade through this Agreement will contribute to the expansion of bilateral as well as world trade;

Agree as follows:

ARTICLE 1.
OBJECTIVES

The objectives of the Contracting Parties in concluding this Agreement are:

- to strengthen the economic relationship between the Contracting Parties;
- to increase the volume of trade in goods between the Contracting Parties;
- to create a more predictable and secure environment for the sustainable growth of trade between the Contracting Parties;
- to reinforce and gradually promote this Preferential Trading Arrangement, and upgrade it to a free trade agreement that could be considered at a future time;
- to expand mutual trade through exploring new areas of cooperation;
- to facilitate diversification of traded products between the Contracting Parties;
- to provide fair condition of competition for trade amongst their enterprises; and
- to contribute by the removal of barriers to trade, to the harmonious development and expansion of bilateral as well as world trade.

ARTICLE 2.
DEFINITIONS

For the purpose of this Agreement:

1. "Tariffs" means basic customs duties included in the national tariff schedules of the Contracting Parties.
2. "Para-tariffs" means any border charges and fees other than tariffs on foreign trade transactions of a tariff-like effect, which are levied solely on imports but not those indirect taxes and charges which are levied in the same manner on like domestic products. Import charges corresponding to specific services rendered, are not considered as para-tariffs.
3. "Non-tariff barriers" means any measure, regulation, or practice, other than tariffs and para-tariffs, the effect of which is to restrict imports and to significantly distort trade between the Contracting Parties.
4. "Products" means any industrial, agricultural and extractive or mining goods in their raw, semi-processed and processed forms.
5. "Domestic industry" means the producers as a whole of the like or directly competitive product; including industrial, agricultural and extractive or mining products, operating in the territory of a Contracting Party or those whose collective output of the like product constitute a major proportion of the total domestic production of that product.
6. "Preferential treatment" means any privilege granted under this Agreement by a Contracting Party through the reduction of tariffs and elimination of non-tariff barriers on the movement of goods.
7. "The Committee" means the Joint Trade Committee referred to in Article 18 of this Agreement.
8. "Serious injury" means significant damage to domestic producers of like or similar products resulting from a substantial increase of preferential imports in situations, which

cause substantial losses in terms of earnings, production or employment unsustainable in the short term. The examination of the impact on the domestic industry concerned shall also include an evaluation of other relevant economic factors and indices having a bearing on the state of the domestic industry of that product.

9. "Threat of serious injury" means a situation in which a substantial increase of preferential imports is of a nature so as to cause serious injury to domestic producers and that such injury, although not yet existing, is clearly imminent. A determination of threat of serious injury shall be based on facts and not on mere allegation, conjecture, or remote or hypothetical possibility.
10. "Critical circumstances" means the emergence of an exceptional situation, where massive preferential imports are causing or threatening to cause "serious injury" difficult to repair and which calls for immediate action.
11. "Dumping" means the introduction of a product into the commerce of the other Contracting Party at less than its normal value which is the comparable price in the ordinary course of trade for the like product destined for consumption in the exporting country, or in the absence of such domestic price, is either the highest comparable price for the like product for export to any third country in the ordinary course of trade, or the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit.

ARTICLE 3.

SCOPE AND COVERAGE

This Agreement and all provisions therein apply to trade between the Contracting Parties relating to the products specified in Annexes A and B to this Agreement, with due regard to the arrangements provided for in those Annexes and taking into account the Rules of Origin as set out in Annex C to this Agreement.

ARTICLE 4.

BASIC DUTIES

1. For trade between Contracting Parties, covered by this Agreement, the Customs Tariff of Bosnia and Herzegovina shall be applied to the classification of goods, imported in Bosnia and Herzegovina and the Customs Tariff of the Islamic Republic of Iran shall be applied to the classification of goods, imported in the Islamic Republic of Iran.
2. For each Product the basic duty to which the reductions set out in this Agreement are to be applied shall be the Most Favored Nations rate of duty in force on the date of entry into force of this Agreement.
3. If, after entry into force of this Agreement, any tariff reduction is applied on an erga Omnes basis, such reduced duties shall replace the basic duty referred to in Paragraph 2 of this Article as from the date when such reductions are applied.
4. The reduced duties calculated in accordance with paragraph 3 of this Article shall be applied rounded to the first decimal places, in accordance with arithmetical rules.
5. The Contracting Parties shall communicate to each other their respective basic duties.

ARTICLE 5.

TARIFFS, PARA-TARIFFS AND NON-TARIFF BARRIERS

1. The Contracting Parties hereby establish a Preferential Trade Arrangement through this Agreement, in accordance with the provisions of Annexes A and B and C.
2. The Contracting Parties shall grant each other tariff concessions on the basis in the form of reduced MFN duties, which shall be based on their National Tariff Schedules.
3. The Contracting Parties further agree to eliminate from the date this Agreement enters into force, all non-tariff barriers and any other equivalent measures on the movement of goods, other than those imposed in accordance with Article 8 of this Agreement.
4. The Contracting Parties agree to abolish from the date this Agreement enters into force, all existing para-tariffs and not to introduce new para-tariffs in the future.
5. In the implementation of this Agreement, the Contracting Parties shall pay due regard to the principle of reciprocity.
6. The Contracting Parties shall consider further liberalization of their bilateral trade through future consultations.

ARTICLE 6.

MOST FAVORED NATIONS TREATMENT

The Contracting Parties shall unconditionally accord each other treatment, which is no less favorable than that accorded to any third country with regard to all the rules, regulations, procedures and formalities applicable to trade including customs valuation procedures as well as methods of international transfer of payments for imports. However, unless there is specific mutual agreement between the Contracting Parties, they shall not be eligible to benefit from tariff rate quotas or tariff concessions granted by each Contracting Party to another country within the framework of a specific free trade agreement, preferential trade agreement or regional trade agreement.

ARTICLE 7.

NATIONAL TREATMENT

To ensure that domestic laws, regulations and all other measures and formalities applicable to imports from the other Contracting Party shall not be applied in a manner so as to afford protection to domestic productions, subject to other provisions of this Agreement, the Contracting Parties shall accord treatment to products originating from the territory of the other Contracting Party, no less favorable than that accorded to the like domestic products.

ARTICLE 8.

TRANSPARENCY

The Contracting Parties commit themselves to ensure transparency with regard to their relevant regulations and practices through publication. They shall also notify each other of new measures, which pertain to or affect the operation of this Agreement.

ARTICLE 9.
EXCEPTIONS

Subject to the condition that such measures are not applied in a manner to constitute arbitrary or unjustifiable discrimination or a disguised restriction on trade between the Contracting Parties, nothing in this Agreement shall preclude prohibitions or restrictions on imports, exports or goods in transit, justified on grounds of public morality, religious values, public policy, national security, protection of human, animal and plant life and health, protection of national treasures possessing artistic, historic or archeological value, protection of exhaustible natural resources and genetic reserves and regulations concerning gold or silver. Nothing in this Agreement shall also be understood to require either Contracting Party to furnish any information the disclosure of which it deems contrary to its essential security interests.

ARTICLE 10.
INTELLECTUAL PROPERTY RIGHTS

The Contracting Parties shall endeavor to provide adequate and effective protection of intellectual property rights in conformity with their respective domestic laws and regulations and international commitments.

ARTICLE 11.
RULES OF ORIGIN

1. Products covered by the provisions of this Agreement shall be eligible for preferential treatment provided that they satisfy the Rules of Origin as set out in Annex C to this Agreement.
2. For the development of specific sectors of the industry of either Contracting Party lower value addition norms for the products manufactured or produced by those sectors may be considered through mutual negotiations.

ARTICLE 12.
SAFEGUARD MEASURES

1. If any product is imported into the territory of a Contracting Party in such a manner or in such quantities as to cause or threaten to cause serious injury in the territory of that Contracting Party, such Contracting Party may with prior consultations with the other Contracting Party, except in critical circumstances, suspend provisionally the preferential treatment accorded to that product under this Agreement.
2. When either Contracting Party has taken action in accordance with paragraph 1 of this Article, it shall simultaneously notify the other Contracting Party and the Joint Trade Committee established in terms of Article 18 of this Agreement. The Committee shall enter into consultations with the Contracting Parties and endeavor to reach a mutually acceptable agreement to remedy the situation. If such consultations fail to resolve the issue, within 60 days of the matter being submitted to the Committee, the matter will be resolved in accordance with the provisions laid down in Articles 18 and 19, the Contracting Party affected by such action shall have the right to withdraw the equivalent preferential treatment.

ARTICLE 13.

ANTIDUMPING MEASURES

If either Contracting Party determines that dumping is taking place in trade with the other Contracting Party, it may levy an anti-dumping duty on the importation of the products dumped if it determines that the effect of the dumping, as the case may be, is such as to cause or threaten to cause material injury to an established domestic industry, or is such as to retard materially the establishment of a domestic industry.

ARTICLE 14.

BALANCE OF PAYMENTS

1. Either Contracting Party, when faced with serious balance of payments difficulties or under threat thereof, may take restrictive measures with regard to the transfer of payments for its current account transactions in the framework of this Agreement, subject to the conditions and procedures set out in this Article.
2. Either Contracting Party intending to resort to such measures shall enter into consultations with the other Contracting Party with a view to designing a mutually acceptable mechanism to address the situation concerned. In the event of it not being practical to enter into prior consultations, they shall promptly do so following the adoption of such measures. While in consultations, the Contracting Parties shall give exhaustive considerations to all other possible alternative solutions to deal with the situation concerned.
3. If the Contracting Parties fail to come to a mutually satisfactory agreement within three months of the beginning of such consultations, the Contracting Party affected by serious balance of payments difficulties, may adopt or maintain the measure concerned provided that it will:
 - a) Avoid unnecessary damage to the commercial, economic or financial interests of the other Contracting Party;
 - b) Not be more burdensome than necessary to deal with the balance of payments difficulties or threat thereof;
 - c) Be temporary and be phased out progressively as the balance of payments situation mitigates; and
 - d) Be applied in a manner that the other Contracting Party is treated no less favorably than any third country.
4. In case the balance of negotiated concessions is substantially affected by the measures of a Contracting Party, falling under the provisions of this Article, the other Contracting Party shall have the right to deviate from its obligations under this Agreement with respect to substantially equivalent trade, until such time those restrictive measures are relaxed.

ARTICLE 15.

RE-EXPORT AND SHORTAGE CLAUSE

1. In the event that a Contracting Party adopts or maintains a prohibition or restriction on the importation from or exportation to a third country of a product, nothing in this Agreement shall be construed to prevent that Contracting Party from:

- a) Limiting or prohibiting the importation from the territory of the other Contracting Party of such product of that third country; or
 - b) Requiring as a condition of export of such product to the territory of the other Contracting Party, that the product not be re-exported to that third country, directly or indirectly, without being consumed in the territory of the other Contracting Party.
2. In addition, none of the provisions of this Agreement shall preclude the maintenance or adoption of any trade restrictive measures necessary to remove or forestall a serious shortage, or threat thereof, of any product essential to the exporting Contracting Party.

ARTICLE 16.

TRANSFER OF PAYMENTS

Except in accordance with their respective rights and obligations in relation to the IMF or where otherwise provided in this Agreement, the Contracting Parties shall, in accordance with the laws and regulations of their respective countries, allow payments for their current account transactions in the framework of this Agreement, to be made in freely convertible currency.

ARTICLE 17.

STANDARDS, TECHNICAL REGULATIONS AND SPS MEASURES

The Contracting Parties ensure that their standards, technical regulations and sanitary and phytosanitary measures shall not be prepared, adopted or applied so as to create obstacles to mutual trade or to protect domestic production.

Accordingly, the Contracting Parties shall ensure that:

- a) any sanitary or phytosanitary measure shall be applied only to the extent necessary to protect human, animal or plant life or health, shall be based on scientific principles and shall not be maintained without sufficient evidence, taking into account the availability of relevant scientific information and regional conditions; and
- b) Standards and technical regulations shall not be prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to mutual trade. For this purpose, standards and technical regulations shall not be more trade-restrictive than necessary to fulfill a legitimate objective, taking into account the risks non-fulfillment would create. Such legitimate objectives include those measures described in Article 9 of this Agreement. In assessing such risks, relevant elements of consideration include available scientific and technical information, related processing technology or intended end-uses of products.

ARTICLE 18.

JOINT TRADE COMMITTEE

1. A Joint Trade Committee shall be established consisting of officials of the Contracting Parties. The Committee shall meet initially within six months from the date of the entry into force of the Agreement and thereafter at least once a year to review the progress made in the implementation of this Agreement.

2. The Committee shall set out its rules of procedure within six months from the date of the entry into force of the Agreement.
3. The Committee may also set up any other Sub-Committee and/or Working Group for specific purposes, as it may consider necessary.
4. The Committee shall accord adequate opportunities for consultation on representations made by either Contracting Party with respect to any matter affecting the implementation of the Agreement.
5. Each Contracting Party shall accord sympathetic consideration to such representations as may be made by the other Contracting Party with respect to any matter affecting the implementation of this Agreement.

ARTICLE 19.

DISPUTE SETTLEMENT

1. All disputes arising between the Contracting Parties relating to the interpretation or application of this Agreement shall, in the first place, be settled amicably by consultation through Joint Committee. In case of disagreement, either Contracting Party may, in accordance with its national laws and regulations, within six months from the date of notification of the claim by one Contracting Party to the other Contracting Party, while sending a notice to the other Contracting Party, refer the case to an arbitral tribunal of three members consisting of two arbitrators appointed by the Contracting Parties and an umpire.
2. In case the dispute is referred to the arbitral tribunal, either Contracting Party shall appoint an arbitrator within sixty days from the receipt of the notification and the arbitrators appointed by the Contracting Parties shall appoint the umpire within sixty days from the date of the appointment of the last arbitrator. If either Contracting Party fails to appoint its own arbitrator or the appointed arbitrators do not agree on the appointment of the umpire within the said periods, each Contracting Party may request the President of the International Court of Justice to appoint the arbitrator of the failing Party or the umpire, as the case may be.
3. However the umpire shall be a national of a state having diplomatic relations with both Contracting Parties at the time of the appointment.
4. In case the umpire is to be appointed by the President of the International Court of Justice, if the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the vice-president of the International Court of Justice, and if the vice-president is also prevented from carrying out the said function or he is a national of either Contracting Party, the appointment shall be made by the senior member of the said court who is not a national of either Contracting Party.
5. Unless otherwise decided by the Contracting Parties, and subject to other provisions agreed by them, the arbitral tribunal shall determine its procedure and the place of arbitration. Each Contracting Party shall bear the expenses of its arbitrator and its presentation in the arbitral proceedings. The expenses of the umpire and other expenses of the arbitration shall be born equally by the Contracting Parties, unless otherwise decided by the arbitral tribunal.

6. The Contracting Parties shall give the arbitration panel all assistance to examine and resolve the case.
7. The decisions of the arbitral tribunal shall be binding on the Contracting Parties. If either Contracting Party fails to implement the decisions, the other Contracting Party shall have the right to withdraw the equivalent preferential treatment.

ARTICLE 20.
AMENDEMENTS

1. The Contracting Parties may amend and/or develop the provisions of this Agreement through mutual consent. Therefore, either Contracting Party may put forward its suggestions for the purpose of promoting further liberalization of bilateral trade. Any amendment made to the Agreement shall become effective and shall constitute an integral part of the Agreement, according to the provisions of Article 23.
2. However, amendments to Annexes A and B of this Agreement may be directly agreed upon by the Contracting Parties. Such amendments shall become effective through the exchange of diplomatic notes.

ARTICLE 21.
ANNEXES TO BE FINALIZED

Annex A, containing the Tariff Preferences to be granted by the Government of the Islamic Republic of Iran and Annex B, containing the Tariff Preferences to be granted by the Council of Ministers of Bosnia and Herzegovina and Annex C, containing the Rules of Origin under the Agreement shall be finalized before the date of signing of this Agreement.

Annexes A, B and C shall constitute an integral part of the Agreement.

ARTICLE 22.
TERMINATION OF THE AGREEMENT

Either Contracting Party may terminate this Agreement by means of a written notification through diplomatic channels to the other Contracting Party, which shall take effect six months after the date of such notification.

ARTICLE 23.
ENTRY INTO FORCE

The Agreement shall enter into force on the 30th day after the Contracting Parties have notified each other through diplomatic channels that their respective constitutional requirements and procedures have been completed in respect of this Agreement.

In witness thereof, the undersigned, duly authorized thereto by their respective Authorities, have signed this Agreement.

This Agreement comprising a Preamble, 23 Articles and 3 Annexes, was done in duplicate at Tehran, on the December 15 of 2008, corresponding to Azar 25 of 1387, of Iranian Calendar, in Bosnian, Croatian, Serbian, Persian, and English, all texts being equally authentic. In case of divergence in interpretations, the English text shall prevail.

**For the Council of Ministers of
Bosnia and Herzegovina**

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**Mladen Zirojević
Minister of Foreign Trade and
Economic Relation**

**For the Government of the
Islamic Republic of Iran**

.....
**Dr. Seyed Masoud Mirkazemi
Minister of Commerce**

**Annex A - List of goods of Bosnia and Herzegovina for taking tariff preferences
from the Islamic Republic of Iran**

No	Tariff number	Description	Customs duty (%)	Tariff reduction %	Tariff after reduction (%)
1	030429	Frozen fillets	35	14	30.1
2	040120	Of a fat content, by weight, exceeding 1% but not exceeding 6%	15	30	10.5
3	040690	Other cheese	65	30	45.5
4	081120	Raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries	40	20	32
5	081190	Other	40	20	32
6	150790	Other	20	20	16
7	151219	Other	20	20	16
8	151411	Crude oil	4	-	-
9	170290	Other, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50% by weight of fructose	10	30	7
10	170490	Other	75	20	60
11	180631	Filled	75	20	60
12	180632	Not Filled	65	20	52
13	180690	Other	75	20	60
14	190230	Other pasta	75	30	52.5
15	190410	Prepared foods obtained by the swelling or roasting of cereals or cereal products	45	30	31,5
16	190531	Sweet biscuits	50	20	40
17	190532	Waffles and wafers	45	20	36
18	200110	Cucumbers and gherkins	50	20	40
19	200190	Other	55	20	44
20	200599	Other vegetables and mixtures of vegetables	55	20	44
21	200799	Other	15; 65	20	12; 52
22	210320	Tomato ketchup and other tomato sauces	55	30	38,5
23	210390	Other	45	30	31,5
24	220110	Mineral waters and aerated waters	60	20	48
25	220210	Waters, including mineral and aerated waters, containing added sugar or other sweetening matter or flavoured	60	20	48
26	220290	Other	60	20	48
27	271019	Other	10; 20; 30; 45	30	7; 14; 21; 31.5
28	283630	Sodium hydrogencarbonate (sodium bicarbonate)	10	30	7
29	291521	Acetic Acid	10	30	7

No	Tariff number	Description	Customs duty (%)	Tariff reduction %	Tariff after reduction (%)
30	300420	Containing other antibiotics	65	20	52
31	300440	Containing alkaloids or derivatives thereof but not containing hormones, other products of heading 29.37 or antibiotics	65	20	52
32	300450	Other medicaments containing vitamins or other products of heading 29.36	45; 65	20	36; 52
33	300590	Other	15; 45	20	12; 36
34	340220	Preparations put up for retail sale	25	20	20
35	340290	Other	30	20	24
36	391990	Other	20,40	20	16; 32
37	392010	Of polymers of ethylene	20	20	16
38	392020	Of polymers of propylene	30; 40	20	24; 32
39	392111	Of polymers of styrene	40	20	32
40	392113	Of polyurethanes	40	20	32
41	392321	Of polymers of ethylene	35	20	28
42	392330	Carboys, bottles, flasks and similar articles	30	20	24
43	392410	Tableware and kitchenware	40	20	32
44	392490	Other	40	20	32
45	392590	Other	30	20	24
46	392690	Other	10; 20; 25; 40; 45	20	8; 16; 20; 32; 36
47	410441	Full grains, unsplit; grain splits	10	40	6
48	410510	In the wet state (including wet-blue)	10	40	6
49	410719	Other	55	30	38,5
50	410792	Grain splits	55	30	38,5
51	420291	With outer surface of leather, of composition leather or of patent leather	90	20	72
52	420310	Articles of apparel	90	20	72
53	430219	Other	40	40	24
54	440910	Coniferous	15	30	10.5
55	440929	Non-coniferous	15	30	10.5
56	441019	Other	30	30	21
57	441232	Other, with at least one outer ply of non-coniferous wood	40	30	28
58	441239	Other	40	30	28
59	441299	Other	20	30	14
60	441300	Densified wood, in blocks, plates, strips or profile shapes	20	30	14
61	441510	Cases, boxes, crates, drums and similar packings; cable-drums	45	20	36
62	441520	Pallets, box pallets and other load boards; pallet collars	45	20	36
63	441810	Windows, French-windows and their frames	45	20	36

No	Tariff number	Description	Customs duty (%)	Tariff reduction %	Tariff after reduction (%)
64	441820	Doors and their frames and thresholds	45	20	36
65	441890	Other	55	20	44
66	480300	Toilet or facial tissue stock, towle or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface-coulored, surface-decorated or printed, in rolls or sheetsinkled	15; 45	20	12; 36
67	480519	Other	10; 20	20	8; 16
68	480524	Weighing 150 g/m ² or less	20	20	16
69	480591	Weighing 150 g/m ² or less	10; 20	20	8; 16
70	480810	Corrugated paper and paperboard, wheather or not perforated	10	20	8
71	481810	Toilet paper	55	20	44
72	481820	Handkerchiefs, cleansing or facial tissues and towels	55	20	44
73	481830	Tablecloths and serviettes	55	20	44
74	481840	Sanitary towels and tampons, napkins and napkin liners for babies and similar sanitary articles	45	20	36
75	481940	Other sacks and bags, including cones	20	20	16
76	482010	Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles	45	20	36
77	620111	Of wool or fine animal hair	100	20	80
78	620119	Of other textile materials	100	20	80
79	620191	Of wool or fine animal hair	100	20	80
80	620199	Of other textile materials	100	20	80
81	620211	Of wool or fine animal hair	100	20	80
82	620311	Of wool or fine animal hair	100	20	80
83	620312	Of synthetic fibres	100	20	80
84	620319	Of other textile materials	100	20	80
85	620331	Of wool or fine animal hair	100	20	80
86	620333	Of synthetic fibres	100	20	80
87	620339	Of other textile materials	100	20	80
88	620341	Of wool or fine animal hair	100	20	80
89	620343	Of synthetic fibres	100	20	80
90	620431	Of wool or fine animal hair	100	20	80
91	620433	Of synthetic fibres	100	20	80
92	620439	Of other textile materials	100	20	80

No	Tariff number	Description	Customs duty (%)	Tariff reduction %	Tariff after reduction (%)
93	620463	Of synthetic fibres	100	20	80
94	620469	Of other textile materials	100	20	80
95	621133	Of man-made fibres	100	20	80
96	640110	Footwear incorporating a protective metal toe-cap	120	20	96
97	640192	Covering the ankle but not covering the knee	120	20	96
98	640319	Other	25; 120	20	20; 96
99	640320	Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe	120	20	96
100	640359	Other	120	20	96
101	640391	Covering the ankle	120	20	96
102	640399	Other	120	20	96
103	640411	Sports footwear; tennis shoes, basketball shoes, gym shoes training shoes and the like	25; 120	20	20; 96
104	640419	Track footwear with outer soles incorporating nails and screws	120	20	96
105	640510	With uppers of leather or composition leather	120	20	96
106	640590	Other	120	20	96
107	640610	Uppers and parts thereof, other than stiffeners	120	30	84
108	640620	Outer soles and heels, of rubber or plastics	120	30	84
109	681091	Prefabricated structural components for building of civil engineering	15	20	12
110	720221	Containing by weight more than 55% of silicon	25	40	15
111	721391	Of circular cross-section measuring less than 14mm in diameter	20	30	14
112	721410	Forged	15	30	10.5
113	721420	Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	15	30	10.5
114	721491	Other	15	30	10.5
115	721499	Other	15	30	10.5
116	721710	Not plated or coated, whether or not polished	25	30	17.5
117	721720	Plated or coated with zinc	25	30	17.5
118	722840	Other bars and rods, not further worked than forged	10	30	7
119	730630	Other, welded, of circular cross-section, of iron or non-alloy steel	20	30	14

No	Tariff number	Description	Customs duty (%)	Tariff reduction %	Tariff after reduction (%)
120	730661	Other, welded, of circular cross-section	15; 20	30	10.5; 14
121	730810	Bridges and bridge-sections	20	20	16
122	730820	Towers and lattice masts	20	20	16
123	730840	Equipment for scaffolding, shuttering, propping or pitpropping	25	20	20
124	730890	Other	25	20	20
125	730900	Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	20	30	14
126	731210	Stranded wire, ropes and cables	40	30	28
127	731420	Grill, netting and fencing, welded at the intersection, of wire with a maximum cross-sectional dimension of 3mm or more and having a mesh size of 100 cm ² or more	25	30	17.5
128	731439	Other	25	30	17.5

129	731815	Other screws and bolts, whether or not with their nuts or washers	30,45	30	21; 31.5
130	731819	Other	45	30	31,5
131	731821	Spring washers and other lock washers	40	30	28
132	732181	For gas fuel or for both gas and other fuels	45	20	36
133	732189	For solid fuel	45	20	36
134	732190	Parts	25	20	20
135	732393	Of stainless steel	20; 40	20	16; 32
136	732510	Of non-malleable cast iron	15	30	10.5
137	732599	Other	15	30	10.5
138	732619	Other	15	30	10.5
139	732690	Other	10,15	30	7; 10.5
140	820740	Tools for tapping and threading	20	20	16
141	820750	Tools for drilling, other than for rock drilling	20	20	16
142	820770	Tools for milling	15	20	12
143	830140	Other locks	30	30	21
144	830160	Parts	20	30	14
145	830210	Hinges	40	30	28
146	830249	Other	40	30	28
147	841810	Combined refrigerator-freezers, fitted with separate external	50	20	40

No	Tariff number	Description	Customs duty (%)	Tariff reduction %	Tariff after reduction (%)
		doors			
148	841821	Compression-type	50	20	40
149	841840	Freezers of the upright type, not exceeding 900 l capacity	50	20	40
150	841899	Other	15	20	12
151	850431	Static converters	30	30	21
152	850440	Parts	30; 40	30	21; 28
153	850450	Sparking plugs	30	30	21
154	851110	Starter motors and dual purpose starter-generators	30	30	21
155	853710	Of copper	50	30	35
156	940130	Swivel seats with variable height adjustment	45	20	36
157	940140	Seats other than garden seats or camping equipment, convertible into beds	45	20	36
158	940161	Upholstered	55	20	44
159	940169	Other	55	20	44
160	940171	Upholstered	45	20	36
161	940179	Other	45	20	36
162	940320	Other metal furniture	45	30	31.5
163	940330	Wooden furniture of a kind used in offices	55	30	38,5
164	940340	Wooden furniture of a kind used in the kitchen	55	30	38,5
165	940350	Wooden furniture of a kind used in the bedroom	55	30	38,5
166	940360	Other wooden furniture	55	30	38,5
167	940390	Parts	45	30	31,5
168	940410	Mattress supports	45	30	31,5
169	940490	Other	45	30	31,5
170	940600	Prefabricated buildings	45	20	36

No possible to grant preferences to those goods which their import duties in Islamic Republic of Iran are equal or below 4 %.

**Annex B - List of goods of Islamic Republic of Iran for taking tariff preferences
from Bosnia and Herzegovina**

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
1	0409	Natural honey	5%+1.00 KM/kg	40 of <i>Ad valorem</i>	3%+1.00 KM/kg
2	0603/10	Cut flowers, Fresh	10%	20	8%
3	0806/10	Fresh grapes	10%+0.15 KM /kg	40 of <i>Ad valorem</i>	6%+0.15 KM/kg
4	0808/10	Apples	10%+0.20 KM /kg	40 of <i>Ad valorem</i>	6%+0.20 KM/kg
5	0808/20	Pear and quinces	10%+0.20 KM /kg	40 of <i>Ad valorem</i>	6%+0.20 KM/kg
6	0809/40	Plums and sloes	10%+0.10 KM /kg	40 of <i>Ad valorem</i>	6%+0.10 KM/kg
7	0813/10	Apricots	10%	20	8%
8	0813/20	Prunes	10%	20	8%
9	0813/40	Other fruit, dried	10%	20	8%
10	0813/50	Mixtures of nuts or dried fruits of this chapter	10%	20	8%
11	1604/30	caviar	15%	30	10,5%
12	1704/10	Chewing gum	10%	20	8%
13	1704/90	Other sugar confectionery, not containing cocoa	10%; 10%+1.00 KM /kg	20; 40 of <i>Ad valorem</i>	8%; 6%+1.00 KM/kg
14	1806/20	Other chocolate in blocks, slabs or bars	10%+1.00 KM /kg	40 of <i>Ad valorem</i>	6%+1.00 KM/kg
15	1806/90	Other chocolate	10%+1.00 KM /kg	40 of <i>Ad valorem</i>	6%+1.00 KM/kg
16	1905/31	Sweet biscuits	15%+1.50 KM /kg	40 of <i>Ad valorem</i>	9%+1.50 KM/kg
17	1905/32	Waffles and wafers	15%+1.50 KM /kg	40 of <i>Ad valorem</i>	9%+1.50 KM/kg
18	1905/90	Other bread	10%+1.50 KM /kg	40 of <i>Ad valorem</i>	6%+1.5 KM/kg
19	2002/10	Tomatoes, whole or in pieces	10%+0.50 KM /kg	40 of <i>Ad valorem</i>	6%+0,50 KM/kg
20	2002/90	Other tomatoes prepared	10%	20	8%
21	2009/11	Frozen orange juice	15%+0.40 KM /l	40 of <i>Ad valorem</i>	9%+0,40 KM/l
22	2009/12	Not frozen orange juice	15%+0.40 KM /l	40 of <i>Ad valorem</i>	9%+0,40 KM/l
23	2009/39	Other juice of any other single citrus fruit	15%; 15%+0.40 KM /l	30; 40 of <i>Ad valorem</i>	10,5; 9%+0,40 KM/l
24	2009/61	Grape juice, of a brix value not exceeding 30	15%+0.40 KM /l	40 of <i>Ad valorem</i>	9%+0,40 KM/l
25	2009/69	Other Grape juice	15%+0.40 KM /l	40 of <i>Ad valorem</i>	9%+0,40KM/l
26	2009/71	Apple juice of a brix value not exceeding 30	15%+0.40 KM /l	40 of <i>Ad valorem</i>	9%+0,40 KM/l
27	2009/79	Other Apple juice	15%+0.40	40 of <i>Ad</i>	9%+0,40

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
			KM /l	<i>valorem</i>	KM/l
28	2009/80	Juice of any other single fruit or vegetable	15%+0.40 KM /l	40 of <i>Ad valorem</i>	9%+0,40 KM/l
29	2202/10	Water containing added sugar	10%+0.20 KM /l	40 of <i>Ad valorem</i>	6%+0,20 KM/l
30	2202/90	Other water containing added sugar	10%+0.20 KM /l	40 of <i>Ad valorem</i>	6%+0,20 KM/l
31	2401/10	Tobacco, not stemmed / stripped	15%	30	10,5%
32	2401/20	Tobacco, partly or wholly stemmed / stripped	15%	30	10,5%
33	2710/11	Light oils and preparations	0%;10%	0;20	0%;8%
34	2710/19	Other petroleum oils	0%;10%	0;20	0%;8%
35	3004/90	Other medicaments	0%;10%	0;20	0%;8%
36	3208/10	Paints and varnishes based on polyesters	10%	20	8%
37	3208/90	Other paints and varnishes	10%	20	8%
38	3209/10	Paints and varnishes based on acrylic or vinyl polymers	10%	20	8%
39	3209/90	Other paints and varnishes based on synthetic polymers	10%	20	8%
40	3305/10	Shampoos	10%	20	8%
41	3401/11	Soap for toilet use	10%	20	8%
42	3401/19	Other soap for toilet use	10%	20	8%
43	3401/20	Soup in other forms	10%	20	8%
44	3401/30	Organic surface – active products and preparations for washing the skin	10%	20	8%
45	3402/20	Organic surface – active products preparations put up for retail sale	10%	20	8%
46	3506/99	Other prepared glues	10%	20	8%
47	3915/90	Waste of other plastics	10%	20	8%
48	3921/19	other plates, sheets of other plastics	10%	20	8%
49	3923/29	Articles for packing of goods of other plastics	10%	20	8%
50	3923/30	Carboys, bottles, flasks of plastics	10%	20	8%
51	3923/50	Stoppers, lids, caps and closures	10%	20	8%
52	3924/10	Tableware kitchenware other house hold articles of plastics	15%	30	10,5%
53	3924/90	Other tableware kitchenware other house hold articles of plastics	15%	30	10,5%
54	3925/90	Other builders ware of plastics	15%	30	10,5%
55	3926/10	Other articles of plastics office or school supplies	15%	30	10,5%
56	3926/20	Articles of apparel and clothing accessories of plastics	15%	30	10,5%
57	3926/90	Other articles of plastics	5%;15%	0;30	5%;10,5%

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
58	4011/10	New pneumatic tires of a kind used on motor cars	10%	20	8%
59	4011/20	New pneumatic tires of a kind used on buses or lorries	10%	20	8%
60	4011/40	New pneumatic tires of kind used on motorcycles	10%	20	8%
61	4011/50	New pneumatic tires of kind used on bicycles	10%	20	8%
62	4202/11	Trunks, suit cases .. with outer surface of leather	10%	20	8%
63	4202/19	Other	10%	20	8%
64	4202/21	Trunks, suit-cases with outer surface of leather	10%	20	8%
65	4202/22	Trunks, suit-cases with outer surface of plastic sheeting	10%	20	8%
66	4202/29	Other trunks, suit-cases	10%	20	8%
67	4202/31	Articles of a kind normally carried in the pocket or in the handbag with outer surface of leather	10%	20	8%
68	4202/32	Articles of a kind normally carried in the pocket or in the handbag with outer surface of plastic sheeting	10%	20	8%
69	4202/91	Other Trunks, suit-cases with outer surface of leather	10%	20	8%
70	4202/92	Trunks, Suit – cases. With outer surface of plastic sheeting or of textile materials.	10%	20	8%
71	4203/10	Articles of apparel and clothing accessories of leather or of composition leather.	10%	20	8%
72	4203/29	Other	10%	20	8%
73	4205	Other articles of leather or of composition leather.	10%	20	8%
74	4911/10	Trade advertising material, Commercial catalogues.	10%	20	8%
75	5007/20	Other fabrics, containing 85% or more by weight of silk.	10%	20	8%
76	5007/90	Other fabrics of silk, Or of silk waste	10%	20	8%
77	5208/12	Woven fabrics of cotton, unbleached plain weave weighing more than 100 g/m ²	10%	20	8%
78	5208/19	Other fabrics of cotton, unbleached	10%	20	8%
79	5208/22	Woven fabrics of cotton, bleached plain weave weighing more than 100 g/m ²	10%	20	8%
80	5212/25	Other Woven fabrics of cotton printed.	10%	20	8%

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
81	5408/34	Woven fabrics of artificial filament yarn, printed.	10%	20	8%
82	5701/10	Carpets wool or fine animal hair.	15%	30	10,5%
83	5701/90	Carpets of other textile material.	15%	30	10,5%
84	5702/10	“Kelem”, “Schumacks”	15%	30	10,5%
85	5702/92	Carpets and other textile floor coverings of man-made textile materials.	15%	30	10,5%
86	5702/99	Other	15%	30	10,5%
87	5703/10	Carpets and other textile floor coverings tufted of wool or fine animal hair.	15%	30	10,5%
88	5703/20	Carpets and other textile floor coverings tufted of nylon or other polyamides.	15%	30	10,5%
89	5703/30	Carpets and other textile floor coverings tufted of other man – made textile materials.	15%	30	10,5%
90	5703/90	Carpets and other textile floor coverings of other textile materials	15%	30	10,5%
91	5704/90	Other carpets and ... of felt	10%	20	8%
92	5705	Other carpets and other textile floor coverings	15%	30	10,5%
93	6105/90	Men’s or boy’s shirts of other textile materials.	15%	30	10,5%
94	6208/21	Women’s or girl’s singlets and other vests of cotton	15%	30	10,5%
95	6210/40	Other men’s or boy’s garments.	15%	30	10,5%
96	6210/50	Other women’s or girl’s garments.	15%	30	10,5%
97	6214/10	Shawls, scarves of silk	15%	30	10,5%
98	6214/40	Shawls, scarves of artificial fibres	15%	30	10,5%
99	6214/90	Shawls, scarves of other textile materials	15%	30	10,5%
100	6301/30	Blankets and traveling rugs of cotton.	15%	30	10,5%
101	6301/40	Blankets and traveling rugs of synthetic fibers.	15%	30	10,5%
102	6301/90	Other blankets and traveling rugs.	15%	30	10,5%
103	6302/51	Bed linen, table linen of cotton.	15%	30	10,5%
104	6302/59	Bed linen, table linen of other textile material.	15%	30	10,5%
105	6303/19	Curtains of other textile material.	15%	30	10,5%
106	6305/33	Other sacks and bags of	15%	30	10,5%

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
		polyethylene or polypropylene.			
107	6308	Sets consisting of woven fabric and yarn for making up into rugs.	10%	20	8%
108	6401/99	Other waterproof footwear with outs soles and uppers of rubber or plastics.	15%	30	10,5%
109	6402/99	Other footwear with outer soles and uppers of rubber or plastics.	15%	30	10,5%
110	6404/20	footwear with outer soles of leather or composition leather.	15%	30	10,5%
111	6405/10	Other footwear with uppers of leather or composition leather.	15%	30	10,5%
112	6405/20	Other footwear with uppers of textile materials.	15%	30	10,5%
113	6405/90	Other footwear	15%	30	10,5%
114	6406/10	Uppers and parts of footwear	15%	30	10,5%
115	6406/20	Outer soles and heels	15%	30	10,5%
116	6802/21	Marble, travertine and alabaster	10%	20	8%
117	6802/22	Other calcareous stone	10%	20	8%
118	6907/10	Tiles, cubes and similar articles	10%	20	8%
119	6907/90	Other tiles, unglazed ceramic flags	10%	20	8%
120	6908/10	Tiles, cubes	10%	20	8%
121	6908/90	Other titles glazed ceramic flags and paving	10%	20	8%
122	6910/10	Ceramic sinks, wash basins baths of porcelain or china	10%	20	8%
123	6910/90	Other ceramic sinks, wash basins, bath	10%	20	8%
124	6911/10	Table ware and kitchenware of china	10%	20	8%
125	6914/10	Other ceramic articles of porcelain or china	10%	20	8%
126	6914/90	Other ceramic articles	10%	20	8%
127	7013/10	Glassware of a kind used for table, kitchen of glass ceramics	10%	20	8%
128	7013/21	Glassware of a kind used for table, kitchen of lead crystal	15%	30	10,5%
129	7013/31	Glassware of a kind used for table, kitchen other than of glass ceramics of lead crystal	15%	30	10,5%
130	7013/99	Other glassware	15%	30	10,5%
131	7018/10	Glass beads, imitation pearls, imitation precious or semi-precious stone	5%;10%	0;20	5%;8%
132	7321/11	Stoves, ranges cookers for gas	10%	20	8%

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
		fuel or for both gas and other fuel			
133	7321/81	Other appliances for gas fuel	10%	20	8%
134	7321/82	Other appliances for liquid fuel	10%	20	8%
135	7418/19	Other table, kitchen or other household articles and parts of copper	15%	30	10,5%
136	7419/99	Other articles of copper	10%	20	8%
137	8302/49	Other mountings	10%	20	8%
138	8303	Strong boxes and doors	10%	20	8%
139	8418/10	Combined refrigerator – freezers fitted with separate external doors	10%	20	8%
140	8418/21	Compression – type refrigerator	10%	20	8%
141	8418/22	Absorption – type, electrical refrigerator	10%	20	8%
142	8418/29	Other refrigerators	10%	20	8%
143	8418/30	Freezers of the chest type	10%	20	8%
144	8418/50	Other refrigerating or freezing chests, cabinets	10%	20	8%
145	8419/20	Medical, surgical or laboratory sterilizers	10%	20	8%
146	8450/11	Fully automatic washing machines	10%	20	8%
147	8450/19	Other washing machines	10%	20	8%
148	8481/80	Other appliances of taps, cocks	10%	20	8%
149	8516/71	Coffee or tea makers	15%	30	10,5%
150	8527/29	Other reception apparatus for radio telephony used in motor vehicles	10%	20	8%
151	8535/30	Isolating switches and make and break switches	0%,10%	0;20	0%;8%
152	8536/90	Other apparatus	10%	20	8%
153	8702/10	Motor vehicles for the transport of ten or more persons with compression – ignition internal combustion piston engine	15%	30	10,5%
154	8702/90	Other motor, vehicles for the transport of ten or more persons	5%,15%	0;30	5%;10,5%
155	8703/21	Other vehicles of a cylinder capacity not exceeding 1000 cc	5%;10%;15%	0;20;30	5%;8%;10,5%
156	8703/22	Other vehicles of a cylinder capacity exceeding 1000 cc but not exceeding 1500 cc	5%;10%;15%	0;20;30	5%;8%;10,5%
157	8703/23	Other vehicles of a cylinder capacity exceeding 1500 cc	5%;10%;15%	0;20;30	5%;8%;10,5%

No	Tariff number	Description	Customs duty	Tariff reduction%	Tariff after reduction
		but not exceeding 3000 cc			
158	8704/21	Motor vehicle weight cargo weight + cargo weight not exceeding 5 tons	10%	20	8%
159	8704/22	Motor vehicle weight + cargo weight exceeding 5 tons but not exceeding 20 tons	10%	20	8%
160	8704/32	Other motor vehicle g.v.w exceeding 5 tonnes	10%	20	8%
161	9018/19	Other electro - diagnostic apparatus	10%	20	8%
162	9018/41	Dental drill engines, whether or not combined on a single base with other dental equipment	10%	20	8%
163	9018/49	Other instrument and appliances used in dental sciences	10%	20	8%
164	9403/60	Other wooden furniture	10%	20	8%
165	9403/70	Furniture of plastics	10%	20	8%
166	9403/80	Furniture of other materials	10%	20	8%
167	9403/90	Parts of furniture	10%	20	8%
168	9404/90	Other mattress supports, articles of bedding	10%	20	8%
169	9405/10	Chandeliers, and other electric ceiling	10%	20	8%
170	9405/20	Electric table, desk, bedside or floor standing lamps	10%	20	8%

KM/kg means that in Bosnia and Herzegovina is paid specific custom for specific goods in convertible marks per one kilo of goods.

KM/l means that in Bosnia and Herzegovina is paid specific custom for specific goods in convertible marks per one litre of goods.

ANNEX C

Concerning the definition of the concept of "originating products" and methods of administrative cooperation

TITLE I GENERAL PROVISIONS

Article 1 Agreed Rules of Origin

The following are the Rules of Origin as applicable to trade concessions exchanged between Bosnia and Herzegovina («BiH») and the Islamic Republic of Iran («Iran»), hereinafter referred to as the «Contracting Parties», under the Preferential Trade Agreement between Bosnia and Herzegovina and the Islamic Republic of Iran (PTA).

Article 2 Short title, commencement and application

- (1) These rules may be called the BiH-Iran Preferential Trade Agreement Rules of Origin.
- (2) They shall come into force along with the implementation of BiH-Iran PTA.

Article 3 Definitions

For the purposes of this Annex:

- (a) "manufacture" means any kind of working or processing including assembly or specific operations;
- (b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) "products" means any industrial, agricultural and extractive or mining goods in their raw, semi-processed and processed forms.
- (d) "goods" means both materials and products;
- (e) "customs value" means the transaction value of imported goods, which is the price actually paid or payable for the goods when sold for export to the country of importation, including other leviable charges and adjustment. In cases where the customs value can not be determined on the basis of transaction value, it will be determined using one of the following methods:
 - i. The transaction value of identical goods;
 - ii. The transaction value of similar goods;

- iii. The deductive value method;
- iv. The fall back method;
- (f) "ex-works price" means the price paid for the product ex works to the manufacturer in a Contracting Party in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) "value of materials" means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in that Contracting Party;
- (h) "value of originating materials" means the value of such materials as defined in subparagraph (f) applied mutatis mutandis;
- (i) "added value" shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other Contracting Party or, where the customs value is not known or cannot be ascertained, the first verifiable price paid for the materials in the Contracting Party.
- (j) "chapters" and "headings" mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Annex as "the Harmonised System" or "HS";
- (k) "classified" refers to the classification of a product or material under a particular heading;
- (l) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (m) "territories" includes territorial waters.

TITLE II

DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"

Article 4

Determination of origin

Products contained in annex A and annex B of BiH-Iran PTA imported from one Contracting Party to the other shall be eligible for preferential treatment if they satisfy the requirements of the present Rules of Origin.

Article 5

Claim at the time of importation

The importer of the products shall all the time of importation

- (a) make a claim that the products are the produce or manufacture of a Contracting Party and such products are eligible for preferential concessions; and

- (b) produce the evidence specified in these rules, which shall be the Certificate of Origin annexed to BiH-Iran Rules of Origin.

Article 6

Originating products

Products covered BiH-Iran PTA, imported into the territory of a Contracting Party from the other Contracting Party which are consigned directly within the meaning of Article 15 hereof, shall be eligible for preferential concessions if they conform to the origin requirements under any one of the following conditions, namely:

- (a) products wholly produced or obtained in the exporting Contracting Party as defined in Article 7; or
- (b) products not wholly produced or obtained in the exporting Contracting Party, provided that the said products are eligible under paragraph 8.

Article 7

Wholly obtained products

1. The following shall be considered as wholly obtained in one of the Contracting Parties:
 - (a) mineral products extracted from its soil or from its seabed;
 - (b) vegetable products harvested there;
 - (c) live animals born and raised there;
 - (d) products from live animals raised there;
 - (e) products obtained by hunting or fishing conducted there;
 - (f) products of sea fishing and other products taken from the sea outside the territorial waters of a Contracting Party by its vessels;
 - (g) products made on board their factory ships exclusively from products referred to in (f);
 - (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
 - (i) waste and scrap resulting from manufacturing operations conducted there;
 - (j) products extracted from marine soil or subsoil outside its territorial waters provided that it has sole rights to work that soil or subsoil;
 - (k) goods produced there exclusively from the products specified in (a) to (j).
2. The terms "its vessels" and "its factory ships" in paragraph 1(f) and (g) shall apply only to vessels and factory ships:
 - (a) which are registered or recorded in a Contracting Party;
 - (b) which sail under the flag of a Contracting Party;
 - (c) which are owned to an extent of at least 50 per cent by nationals of the Contracting Parties, or by a company with its head office in one of the Contracting Parties, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are nationals of a Contracting Party and of which, in addition, in the case of partnerships or limited

companies, at least half the capital belongs to a Contracting Party or to public bodies or nationals of a Contracting Party;

(d) of which the master and officers are nationals of a Contracting Party; and

(e) of which at least 75 per cent of the crew are nationals of a Contracting Party.

Article 8

Not wholly produced or obtained

(1) Within the meaning clause (b) Article 6, products worked on or processed as a result of which the total value of the materials, parts or produce originating from other than the exporting Contracting Party or of undetermined origin used does not exceed fifty per cent of the ex-works price value of the products produced or obtained and the final process of manufacture is performed within the territory of the exporting Contracting Party shall be eligible for preferential concessions subject to fulfilment of the relevant criteria thereof.

(2) The value of the non-originating materials, parts or produce shall be

(a) the C.I.F. (or C.I.P.) value at the time of importation of materials, parts or produce where this can be proven; or

(b) the earliest ascertainable price paid for the material, parts or produce of undetermined origin in the territory of the exporting Contracting Party.

Article 9

Insufficient working or processing

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 8 are satisfied:

(a) preserving operations to ensure that the products remain in good condition during transport and storage;

(b) breaking-up and assembly of packages;

(c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;

(d) ironing or pressing of textiles;

(e) simple painting and polishing operations;

(f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;

(g) operations to colour sugar or form sugar lumps;

(h) peeling, stoning and shelling, of fruits, nuts and vegetables;

(i) sharpening, simple grinding or simple cutting;

(j) sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles);

(k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

(l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;

- (m) simple mixing of products, whether or not of different kinds,
 - (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
 - (o) a combination of two or more operations specified in (a) to (n);
 - (p) slaughter of animals
 - (q) packing
2. All operations carried out in a Contracting Party on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

Article 10

Unit of qualification

For the purpose of these rules, goods and material and products shall be classified in accordance with the general rules of interpretation (GRI) of harmonized system.

Article 11

Accessories, spare parts and tools

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 12

Sets

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

Article 13

Neutral elements

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools;
- (d) goods which do not enter and which are not intended to enter into the final composition of the product.

TITLE III

TERRITORIAL REQUIREMENTS

Article 14
Principle of territoriality

1. The conditions for acquiring originating status set out in Title II must continue to be fulfilled at all times in Bosnia and Herzegovina or in the Islamic Republic of Iran.
2. Where originating goods exported from Bosnia and Herzegovina or the Islamic Republic of Iran to another country are returned, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:
 - (a) the returning goods are the same as those that were exported; and
 - (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

Article 15
Direct transport

1. The preferential treatment provided for under the Agreement applies only to products, satisfying the requirements of this Annex, which are transported directly between the Contracting Parties. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

Originating products may be transported by pipeline across territory other than that of the Contracting Parties.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country by the production of:
 - (a) a single transport document covering the passage from the exporting country through the country of transit; or
 - (b) a certificate issued by the relevant competent authorities of the country of transit:
 - (i) giving an exact description of the products;
 - (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
 - (iii) certifying the conditions under which the products remained in the transit country;or
 - (c) failing these, any substantiating documents.

Article 16
Exhibitions

1. Originating products, sent for exhibition outside of the Contracting Parties and sold after the exhibition for importation in a Contracting Party shall benefit on importation from the

provisions of the Agreement provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from Contracting Party to the country in which the exhibition is held and has exhibited them there;
 - (b) the products have been sold or otherwise disposed of by that exporter to a person in Contracting Party;
 - (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
 - (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A proof of origin must be issued or made out in accordance with the provisions of Title IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.
 3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV PROOF OF ORIGIN

Article 17 General requirements

1. Products originating in Contracting Party shall, on importation into the other Contracting Party benefit from the Agreement upon submission of a certificate of origin Form A, a specimen of which appears in Annex I

Article 18 Procedure for the issue of a certificate of origin Form A

1. A certificate of origin Form A shall be issued by the relevant competent authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. For this purpose, the exporter or his authorised representative shall fill out the certificate of origin Form A. This form shall be completed in English language, and in accordance with the provisions of the domestic law of the exporting country. If it is hand-written, it shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issue of a certificate of origin Form A shall be prepared to submit at any time, at the request of the relevant competent authorities of the exporting country where the certificate of origin Form A is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.
4. A certificate of origin Form A shall be issued by the relevant competent authorities in Contracting Party if the products concerned can be considered as products originating in one of the Contracting Parties and fulfil the other requirements of this Annex.
5. The relevant competent authorities issuing certificate of origin Form A shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. They shall also ensure that the form referred to in paragraph 2 is duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.
6. The place and date of issue of the certificate of origin Form A shall be indicated in Box 11(BiH), 12(Iran) of the certificate.
7. A certificate of origin Form A shall be issued by the relevant competent authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 19
Certificate of origin Form A issued retrospectively

1. Notwithstanding Article 18/ (para7), a certificate of origin Form A may exceptionally be issued after exportation of the products to which it relates if:
 - (a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
 - (b) it is demonstrated to the satisfaction of the relevant competent authorities that a certificate of origin Form A was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the certificate of origin Form A relates, and state the reasons for his request.
3. The relevant competent authorities may issue a certificate of origin Form A retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.
4. Certificate of origin Form A issued retrospectively must be endorsed with the following phrase:

"ISSUED RETROSPECTIVELY"

5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box 4 of the certificate of origin Form A.

Article 20
Issue of a duplicate certificate of origin Form A

1. In the event of theft, loss or destruction of a certificate of origin Form A, the exporter may apply to the relevant competent authorities, which issued it for a duplicate made out on the basis of the export documents in their possession.

3. The duplicate issued in this way must be endorsed with the following word:

"DUPLICATE"

3. The endorsement referred to in paragraph 2 shall be inserted in the "Remarks" box 4 of the duplicate certificate of origin Form A.
4. The duplicate, which must bear the date of issue of the original certificate of origin Form A, shall take effect as from that date.

Article 21
**Issue of certificate of origin Form A on the basis of a
proof of origin issued or made out previously**

When originating products are placed under the control of a customs office in Contracting Party, it shall be possible to replace the original proof of origin by one or more certificate of origin Form A for the purpose of sending all or some of these products elsewhere within Contracting Party. The replacement certificate(s) of origin Form A shall be issued by the relevant competent authorities.

Article 22
Accounting segregation

1. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials, which are identical and interchangeable, the customs authorities may, at the written request of those concerned, authorise the so-called "accounting segregation" method to be used for managing such stocks.
2. This method must be able to ensure that, for a specific reference-period, the number of products obtained which could be considered as "originating" is the same as that which would have been obtained if there had been physical segregation of the stocks.
3. The authorities may grant such authorisation, subject to any conditions deemed appropriate.
4. This method is recorded and applied on the basis of the general accounting principles applicable in the country where the product was manufactured.

4. The beneficiary of this facilitation may issue or apply for proofs of origin, as the case may be, for the quantity of products, which may be considered as originating. At the request of the customs authorities, the beneficiary shall provide a statement of how the quantities have been managed.
6. The authorities shall monitor the use made of the authorisation and may withdraw it at any time whenever the beneficiary makes improper use of the authorisation in any manner whatsoever or fails to fulfil any of the other conditions laid down in this Annex.

Article 23
Validity of proof of origin

1. A proof of origin shall be valid for six months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.
2. Proofs of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been submitted before the said final date.

Article 24
Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Agreement.

Article 25
Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System falling within Sections XVI and XVII or headings 7308 and 9406 of the Harmonized System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 26
Supporting documents

The documents referred to in Article 18(3) used for the purpose of proving that products covered by a certificate of origin Form A can be considered as products originating in one of

the Contracting Parties and fulfil the other requirements of this Annex may consist *inter alia* of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal book-keeping;
- (b) documents proving the originating status of materials used, issued or made out in one of the Contracting Parties where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in one of the Contracting Parties, issued or made out in that Contracting Party, where these documents are used in accordance with domestic law;
- (d) certificate of origin Form A or invoice declarations proving the originating status of materials used, issued or made out in a Contracting Party in accordance with rules of origin which are identical to the rules in this Annex.

Article 27

Preservation of proof of origin and supporting documents

- 1. The exporter applying for the issue of a certificate of origin Form A shall keep for at least three years the documents referred to in Article 18(para3).
- 2. The relevant competent authorities of the exporting country issuing a certificate of origin Form A shall keep for at least three years the application form referred to in Article 18(para2).
- 3. The customs authorities of the importing country shall keep for at least three years the certificate of origin Form A and the invoice declarations submitted to them.

Article 28

Discrepancies and formal errors

- 1. The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the proof of origin null and void if it is duly established that this document does correspond to the products submitted.
- 2. Obvious formal errors such as typing errors on a proof of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 29

Mutual assistance

1. The relevant competent authorities in the Contracting Parties shall provide each other with specimen impressions of stamps used in their relevant competent authorities for the issue of certificate of origin Form A and with the addresses of the relevant competent authorities responsible for verifying this certificate.
2. In order to ensure the proper application of this Annex, Contracting Parties shall assist each other, through the competent customs administrations, in checking the authenticity of the certificate of origin Form A and the correctness of the information given in this document.

Article 30 **Verification of proofs of origin**

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the certificate of origin Form A and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the certificate of origin Form A is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the relevant competent authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in one of the Contracting Parties and fulfil the other requirements of this Annex.
6. If in cases of reasonable doubt there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities may refuse entitlement to the preferences.

Article 31 **Review**

These Rules may be reviewed as and when necessary upon request of either of the Contracting Parties and may be open to such modifications as may be agreed there upon.

Article 32 Prohibitions

Either Contracting Party may prohibit importation of products containing any inputs originating from states with which it does not have economic and commercial relations.

Article 33 Dispute settlement

Where disputes arise in relation to the verification procedures of Article 30, which cannot be settled between the customs authorities requesting verification and the relevant competent authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Annex, they shall be submitted to the Joint Committee.

In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

Article 34 Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document, which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 35 Free zones

1. The Contracting Parties shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.
2. By means of an exemption to the provisions contained in paragraph 1, when products originating in a Contracting Party are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new certificate of origin Form A at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Annex.

TITLE VI FINAL PROVISIONS

Article 36 Sub-Committee on customs and origin matters

1. A Sub-Committee on customs and origin matters shall be set up under the Joint Committee in accordance with Article 18 of this Agreement to assist it in carrying out its duties and to ensure a continuous information and consultations process between experts.
2. The said Sub-Committee shall be composed of experts from the Contracting Parties responsible for questions related to customs and origin matters.

Article 37
Annexes

The Annex to this Annex shall form an integral part thereof.

Article 38
Goods in transit and storage

Goods which conform to the provisions of Title II and which on the date of entry into force of the Agreement are either being transported or are being held in a Contracting Party in temporary storage, in bonded warehouses or in free zones, may be accepted as originating products subject to the submission, within four months from that date, to the customs authorities of the importing country of proof of origin, drawn up retrospectively, and of any documents that provide supporting evidence of the conditions of transport.

ANNEX I TO ANNEX C

SPEACIMENS OF CERTIFICATE OF ORIGIN FORM A

Printing Instructions:

1. Each form shall measure 210 x 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m². It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
2. The relevant competent authorities in the Contracting Parties may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case each form must include a reference to such approval. Each form must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

**CERTIFICATE OF ORIGIN FORM A
FOR THE ISLAMIC REPUBLIC OF IRAN**

1. Goods consigned from (exporter's business name, address, country)			Reference No A GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A		
2. Goods consigned to (consignee's name, address, country)			Issued in (country) <small>See notes overleaf</small>		
3. Means of transport and route (as far as known)			4. For official use		
5. Item number	6. Marks and number of packages	7. Number and kind of packages, description of goods	8. Origin criterion (see notes overleaf)	9. Gross weight or other quality	10. Number and date of invoices
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in (country) and that they comply with the origin requirements specified for those goods in the generalized system of preferences for goods exported to (importing country) Place and date, signature of certifying authority			12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature of certifying authority		

**CERTIFICATE OF ORIGIN FORM A
FOR BOSNIA AND HERZEGOVINA**

1. Goods consigned from (exporter's business name, address, country)		Reference No			
2. Goods consigned to (consignee's name, address, country)		A GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A			
3. Means of transport and route (as far as known)		4. For official use			
5. Item number	6. Marks and number of packages	7. Number and kind of packages, description of goods	8. Origin criterion (see notes overleaf)	9. Gross weight or other quality	10. Number and date of invoices
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.			12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in (country) and that they comply with the origin requirements specified for those goods in the generalized system of preferences for goods exported to (importing country)		
..... Place and date, signature of certifying authority		 Place and date, signature of certifying authority		

NOTES

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alternation must be initialed by the person who completed the certificate and endorsed by the Customs authorities of the issuing country or territory.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

Entries to be made in Box 8

- (1) Preference products must be wholly produced or obtained in the exporting Contracting Party in accordance with Article 7 of the Iran-BiH PTA Rules of Origin, or where not wholly produced or obtained in the exporting Contracting Party, must be eligible under Article 8 thereof.
- (2) For entries to be made in Box 8, the following further guidelines shall apply:
 - (a) products wholly produced or obtained: enter letter «A» in Box 8, and
 - (b) products not wholly produced or obtained: enter letter «B» in Box 8, for products which meet the origin criteria according to Article 8 of the Iran-BiH PTA Rules of Origin. Entry of letter would be followed by the sum of the value of materials, parts or produce originating from other than the exporting Contracting Party, or undetermined origin used, expressed as a percentage of the ex-works price value of the products (for example «b» 50 per cent).

DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:

.....
.....
.....

SUBMIT the following supporting documents¹:

.....
.....
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspections of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities;

REQUEST the issue of the attached certificate for these goods.

.....
(Place and date)

.....
(Signature)

¹ For example, import documents, movement certificates, manufacturer's declarations, etc.