



## Summary of the U.S.-Oman Free Trade Agreement

The information presented on this website is meant to serve as a guide. Only the agreement text and the customs regulations issued to implement the agreement are definitive.

If you have any questions about this Agreement, please contact Pam Kirkland, Office of Textiles and Apparel, (202) 482-3587.

Status: Implemented on January 1, 2009

### **How U.S. Textile and Apparel Companies Benefit**

The U.S.-Oman Free Trade Agreement (USOFTA) is expected to create new exporting opportunities for U.S. textile and apparel businesses while at the same time promoting economic growth and democracy in the Middle East. The Agreement also will provide new opportunities for services, provide a secure and predictable legal framework for investment, provide for effective enforcement of labor and environmental laws, and protect intellectual property.

### **Tariff Elimination**

Under the FTA, all qualifying footwear and travel goods from the United States can enter Oman duty-free. Duties on the majority of qualifying U.S. textile and apparel products entering into Oman will be eliminated immediately or will be eliminated in equal annual stages within 10 years after the agreement enters into force. Each line item of the FTA tariff schedules is assigned a letter code that indicates the staging by which the duty for each product is reduced and ultimately eliminated. The staging categories listed below generally apply to textile and apparel products in HTS chapters 50-63.

All qualifying travel goods are duty-free and all qualifying footwear from Bahrain can enter the United States duty-free except for the following items, where duties will be phased-out in equal increments over a 10-year period: HTS 6401.10.00, 6401.91.00, 6401.92.90, 6401.99.30, 6401.99.60, 6401.99.90, 6402.30.50, 6402.30.70, 6402.30.80, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.20, 6402.99.80, 6402.99.90, 6404.11.90 & 6404.19.20.

Also see the [FTA Tariff Tool](#) for the duty-free status or reduced duties that apply to products eligible under U.S. free trade agreements.

### **Rules of Origin**

#### **Textiles and Apparel**

The rules for textile and apparel products are generally referred to as "**yarn forward**," which requires that the yarn production and all operation forward occur in either Oman or the United States, but the fiber may be from anywhere. There are some exceptions in the rules requiring "fiber forward," and some requiring "fabric forward".

De Minimis: If a good does not meet the rule of origin requirements as indicated above, a textile or apparel product might be considered originating if all non-originating fibers and yarns make up less than a "de minimis" seven percent of the total weight of the product. Special provisions

also apply to textile and apparel goods put up in sets for retail sale.

**Tariff Preference Levels (TPL):** The FTA allowed for a certain quantity of apparel goods that do not meet the rules of origin to come in under a preferential tariff rate. The TPL was set at an initial level of 50,000,000 square meters equivalent (SMEs) for cotton and man-made fiber apparel for the first ten years upon entry into force of this agreement. Any non-originating goods exceeding the quantity limits will be subject to the non-preferential (i.e., MFN) rate of duty.

***With the expiration of the TPL on December 31, 2018, all trade under the FTA must meet the yarn-forward rule of origin.***

### **Non-Textile Footwear and Travel Goods**

For non-textile footwear and travel goods, the good will qualify under the FTA if it is a new or different article of commerce that has been grown, produced, or manufactured in the territory of one or both of the Parties; and the sum of (i) the value of materials produced in the territory of one or both of the Parties, plus (ii) the direct costs of processing operations performed in the territory of one or both of the Parties is not less than 35% of the appraised value of the good at the time it is imported into the territory of a Party.

### **Commercial Availability**

Article 3.2.3 of the Agreement provides for a consultation mechanism to consider whether the rules of origin applicable to a particular textile or apparel good should be revised to address issues of availability of supply of fibers, yarns, or fabrics in the territories of the Parties.

### **Measures to Prevent Circumvention of the Agreement's Rule of Origin**

The FTA contains additional measures to ensure that textile and apparel goods are not subject to fraud, such as transshipment. The parties agree that the exporting Party, at the request of the importer Party, shall conduct verification procedures to determine that a claim for origin of a textile and apparel good is accurate, allows the exchange of information between parties when suspicion occurs, and permits the importing party to suspend preferential tariff treatment to the textile and apparel good under suspicion or any textile and apparel good produced or exported by a specific company.

### **Documentation Requirements**

Qualifying goods for which FTA duty benefits are requested, the importer must make a claim of preference. The Agreement does not require that the importer provide a certificate of origin in support of the claim of preference. However, both the importer and the exporter have obligations to generate supporting documentation to back-up any claims of preferential treatment under the FTA.

To make a claim for preferential tariff treatment for a good, the importer must submit to the customs authority of the importing Party, on request, a signed declaration setting forth all pertinent information concerning the growth, production, or manufacture of the good. A requested declaration may require the following details:

- a description of the good, quantity, numbers, and invoice numbers and bills of lading
- a description of the operations performed in the production of the good in the territory of one or both of the Parties
- a reference to the specific provision that forms the basis for the claim for preferential tariff treatment
- a statement as to any fiber, yarn, or fabric of a non-Party and the origin of such material used in the production of the good

- a description of the operations performed on, and a statement as to the origin and value of, any foreign materials used in the good that are claimed to have been sufficiently processed in the territory of one or both of the Parties so as to be materials produced in the territory of one or both of the Parties, or are claimed to have undergone an applicable change in tariff classification specified in Annex 3-A (Rules of Origin for Textile or Apparel Goods) or Annex 4-A; and
- a description of the origin and value of any foreign materials used in the good that are not claimed to have been substantially transformed in the territory of one or both of the Parties, or are not claimed to have undergone an applicable change in tariff classification specified in Annex 3-A (Rules of Origin for Textile or Apparel Goods) or Annex 4-A.

Omani Customs officials may verify a claim of preferential treatment up to five years after the date of importation. Therefore, it is recommended that importers and exporters maintain documents relating to the importation of the good and all supporting documents for at least five years.

### **Intellectual Property Rights**

The FTA commits Oman to provide and enforce world-class IPR protection. Under its FTA obligations, Oman will provide increased IPR protection for copyrights, trademarks, geographical indications, and patents. Oman will also improve enforcement and protection of undisclosed test data from unfair commercial use. In addition, Oman acceded to the World Intellectual Property Organization (WIPO) Copyright Treaty.

### **Government Procurement**

Oman is required to conduct procurement covered by the FTA in a fair, transparent, and non-discriminatory manner. As part of its WTO accession, Oman committed to begin negotiations to join the WTO Agreement on Government Procurement.

### **Supporting Documentation**

[Full Text of Agreement](#)

[Textile and Apparel Chapter](#)

[Rules of Origin](#)

[U.S. Tariff Elimination Schedule](#)

[Oman Tariff Elimination Schedule](#)

[U.S.-Oman Free Trade Agreement Implementation Act \(Public Law 109-283\)](#)

[ITAC 13 Advisory Committee Report on the USOFTA](#)