

# U.S. – Oman Free Trade Agreement

The United States-Oman Free Trade Agreement (FTA) builds on existing FTAs to promote economic reform and openness. Implementation of the obligations contained in the comprehensive agreement will generate export opportunities for U.S. goods and services providers, solidify Oman's trade and investment liberalization, and strengthen intellectual property rights protection and enforcement.

## **Rules of Origin**

Articles can qualify by either being wholly grown/produced/manufactured in a party or by substantial transformation with a value-added content. There are also a few articles that have specific rules of origin. See Chapter Three "Textiles and Apparel" and Chapter Four "Rules of Origin, Annex 4A" of the Final Text.

A good is originating if it is imported directly from the territory of one Party into the territory of other Party, and:

- (a) it is a good wholly the growth, product, or manufacture of one or both of the Parties;
- (b) for goods other than those covered by the rules in Annex 3-A (Rules of Origin for Textile or Apparel Goods) or Annex 4-A, the good 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 percent of the appraised value of the good at the time it is imported into the territory of a Party; or
- (c) for goods covered by the rules in Annex 3-A (Rules of Origin for Textile or Apparel Goods) or Annex 4-A, the good has satisfied the requirements specified in that Annex.

For definition of the above terms, see Final Text at USTR-U.S.-Oman FTA.

#### In addition to the above rules of origin, there may be other ways to qualify your product:

- <u>Accumulation</u> may allow the producer to reduce the value of the non-originating materials used in the production of the good.
- <u>De Minimis</u> allows the exporter to disregard a very small percentage of non-originating materials the do no meet a tariff shift rule.
- Direct Shipment are goods which must be shipped directly from one FTA party to another FTA party.
- <u>Fungible Goods and Materials</u> refers to goods or materials (components) that are interchangeable for commercial purposes and whose properties are essentially identical.
- <u>Indirect Materials</u> are goods used in the production, testing or inspection of a good but not physically incorporated into the good.

## **Claiming/Documenting Origin**

Importer shall be prepared to submit to the customs authorities of the importing country, upon request, a declaration setting forth all pertinent information concerning the production or manufacture of the article.

## **Key links/Resources**

- USTR-U.S.-Oman FTA
- Textiles Overview
- CBP Side-by-Side Comparison of FTAs
- U.S. Commercial Service Oman
- FTA Tariff Tool
- FTA Help Center