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# **Treatment of Products from the Special Economic Arrangements or Zones of State Parties to the Agreement Establishing the African Continental Free Trade Area**

## ***Ministerial Regulations 1/2023***

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## **The Council of Ministers of the Africa Continental Free Trade Area (AfCFTA):**

*Acting* pursuant to Article 11(3) (b) and (c) of the Agreement Establishing the AfCFTA, according to which the Council of Ministers shall ensure effective implementation and enforcement of the Agreement, including by taking measures necessary for the promotion of the objectives of the Agreement;

*Recalling* that the State Parties of the AfCFTA are committed to establishing a continent-wide African free trade area through the progressive reduction and elimination of customs duties and non-tariff barriers on goods and adopted Modalities on Tariff Negotiations to accomplish this objective;

*Having regard* to the establishment of a member driven continental market as set out in the Agreement Establishing the African Continental Free Trade Area that may evolve from a free trade area based on reciprocity to a full Customs Union in accordance with the vision expressed in the African Union's Agenda 2063;

*Resolved* to enhance competitiveness at the industry and enterprise level while fostering economic transformation of the continent through continental industrialization programmes;

*Recognising* the sovereign powers of State Parties to provide such fiscal and other economic incentives as they may deem necessary for the establishment and operation of Special Economic Arrangements or Zones to promote and accelerate development in their territories;

*Determined* to ensure the uniform application of AfCFTA rules of origin, particularly in the promotion of regional and continental value chains;

*Recalling* the powers of the Council of Ministers under Article 11(3) (j) of the Agreement Establishing the AfCFTA to make regulations, issue directives and make recommendations in accordance with the provisions of the Agreement; and

*Recalling*, in particular, that Article 23(2) of the Protocol on Trade in Goods empowers the Council of Ministers to subject products benefitting from Special Economic Arrangements or Zones to any Regulations that shall be developed by the Council of Ministers; and

*Determined* to implement Regulations setting out the principles applicable to the free movement of products from the Special Economic Arrangements or Zones of States Parties within the territory of the African Continental Free Trade Area:





## HEREBY DIRECTS AS FOLLOWS:

### Principles Applying to Goods Produced in Special Economic Arrangements or Zones

1. In this Regulation, the term *Special Economic Arrangement or Zone* is defined in accordance with the definition contained in Annex 2 on Rules of Origin under the Protocol on Trade in Goods as follows; special regulatory provisions applicable in a geographical demarcation within a State Party's Territory where the legal, regulatory and fiscal and Customs schemes, applicable to business differ, generally in a more liberal way, from those in application in the rest of that State Party's Territory.<sup>1</sup>
2. State Parties, as stated in Article 23(1) of the Protocol on Trade in Goods may support the establishment and operation of Special Economic Arrangements or Zones for the purpose of accelerating development.
3. Goods produced in Special Economic Arrangements or Zones shall be treated as originating Goods provided that they satisfy the agreed rules of origin in Annex 2 to the Protocol on Trade in Goods.
4. State Parties shall take all necessary measures to ensure that products that are traded under the cover of proof of origin, and which, during their transportation use the certification of a Special Economic Zone situated in their Territory, shall remain under the control of the Customs Authority in that territory and are not substituted by other goods.
5. Where products originating in a State Party which are imported into a Special Economic Zone under AfCFTA proof of origin undergo processing or transformation, the competent Customs Authorities shall issue a new movement certificate at the request of the Exporter, provided that such processing or transformation is carried out in accordance with the rules of origin set out in Annex 2.
6. Each State Party shall apply preferential tariffs to imported products from Special Economic Arrangements or Zones in accordance with its Schedule of Tariff Concession contained in Annex 1 as stated in Article 8 of the Protocol on Trade in Goods and in conformity with the agreed rules of origin and the provisions in these Regulations.
7. In order to safeguard the domestic market from unfair competition, provisions under the Annex on Trade Remedies, the Competition Policy Protocol and the Infant Industries Protection provision shall be applicable to the Goods originated from the Special Economic Zones (SEZs). Any State Party shall have the right to regulate their Special Economic Zones (SEZs) in accordance with their domestic laws. A review of the regulations on SEZ shall take place after five years.

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<sup>1</sup> Amongst others, the types of Special Economic Arrangements/Zones covered by this Regulation include Free Trade Zones, Export Processing Zones, Enterprise Zones, Freeports, Comprehensive Special Economic Zones, Industrial Parks and Industrial Acceleration Zones.



### **Registry of Special Economic Arrangements or Zones**

8. State Parties shall notify to the Secretariat of a list of all Special Economic Arrangements or Zones maintained in their territories using the template set out in Annex 1 to the present regulations.
9. State Parties shall notify the AfCFTA Secretariat in writing of any changes either to their special economic arrangements or zones in relation with the information provided under paragraph 8.

### **Monitoring Export Performance of Special Economic Arrangements or Zones**

10. State Parties shall ensure that enterprises within their Special Economic Arrangements or Zones that wish to benefit from access to the AfCFTA market shall register with their competent authorities; and comply with all the requirements as set out in Annex 2 on RoO to the Protocol on Trade in Goods and the rules of origin manual.
11. The AfCFTA Secretariat, in collaboration with the competent authorities of State Parties shall maintain an updated Registry of Special Economic Arrangements or Zones of AfCFTA State Parties based on the information provided in Annex I.
12. The Committee on Trade in Goods will present annual reports to the Council of Ministers on the export performance of Special Economic Arrangements or Zones based on the data provided by State Parties.

### **Trade Remedies**

13. Products manufactured in Special Economic Arrangements or Zones shall be subject to all defensive legal instruments available to state parties under the AfCFTA, as read with the obligations of State Parties in Annex 9 to the Protocol on Trade in Goods.

### **Anti-Circumvention and Dispute Settlement**

14. It shall be the responsibility of each State Party and its competent authorities to issue the relevant certificates to ensure the free movement of goods from State Parties within the territory of the AfCFTA. Parties may refer any instances of anti-circumvention or other violations of this Ministerial Regulation to the Dispute Settlement Mechanism in accordance with the provisions of the Protocol on Rules and Procedures for the Settlement of Disputes.



### **Review**

15. The Council of Ministers may keep these Regulations under review after five years and update them as necessary. With a view to accelerate industrialization, the creation of value chains and increased intra-African trade in AfCFTA, the Council of Ministers may also decide on additional measures and recommendations based on the Annual Reports from the Committee on Trade in Goods.

### **Non-derogation**

16. Nothing in these Ministerial Regulations shall be read as waiving or otherwise derogating from any right or obligation under the Agreement Establishing the AfCFTA, including the rights of State Parties to renegotiate concessions under Article 11 of the Protocol on Trade in Goods.

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## **Annex I – Minimal information requirements for notification of Special Economic Arrangements or Zones**

The information and data under the present section is provided for each notifying State Party.

Official State Party's denomination:	
Enquiry point's contact details:	
Number of Special Economic Arrangements or Zones Operating in the State Party:	
Denomination list of all Special Economic Arrangements or Zones Operating in the State Party:	

The information and data under the present sub-section is provided for each notifying State Party's Special Economic Arrangement or Zone.

<b>IDENTIFICATION</b>	
Official denomination of the Special Economic Arrangement or Zone:	
Identification number of the Special Economic Arrangement or Zone:	
Address and contact details of the Special Economic Arrangement or Zone's authority:	
<b>CHARACTERISTICS</b>	
Type of incentives:	
Legal, regulatory and administrative status of the Special Economic Arrangement or Zone:	
Types/Sectors of Enterprises operating in the Special Economic Arrangements or Zones operating in the State Party:	

