



The UAE-Jordan Comprehensive Economic Partnership Agreement ("CEPA") comes into force

First Arab-Arab CEPA: Driving a New
Era of Intra-Arab Trade

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In brief

The UAE Ministry of Economy ("MoEC") has recently published the full text of the Comprehensive Economic Partnership Agreement ("CEPA") signed between the Government of the United Arab Emirates ("UAE") and the Government of the Hashemite Kingdom of Jordan ("Jordan").

The landmark agreement was signed on 6 October 2024 and officially entered into force on 15 May 2025. It was finalized following three rounds of negotiations, underscoring the shared commitment of both countries to quickly realise the benefits of the agreement.

In 2024, trade between the two countries already reached USD 5.62 billion, reflecting a 34% year-on-year increase. Officials expect the CEPA to raise bilateral non-oil trade to over USD 8 billion by 2032.

The CEPA focuses on key sectors such as energy, logistics, tourism and pharmaceuticals, aligning with the UAE's economic drive towards sustainability, sound economic growth and innovation.

The full text of the agreement can be accessed [here](#) (available in Arabic).

Relationship with GAFTA and the Arab Framework Agreement on Trade in Services

While both the UAE and Jordan are parties to the Greater Arab Free Trade Area ("GAFTA") Agreement and the Arab Framework Agreement on the Liberalisation of Trade in Services Among Arab Countries, the CEPA does not replace these agreements. Instead, it builds upon and expands them by further liberalising and facilitating trade between the two countries. It enhances market access, promotes trade in goods and services, advances the digital economy, and deepens economic cooperation.

In detail

The CEPA makes commitments in multiple areas such as trade in goods and services, rules of origin ("RoOs")*, customs and trade facilitation, technical barriers to trade ("TBT"), sanitary and phytosanitary standards ("SPS"), digital trade, investment, intellectual property ("IP"), trade remedies, dispute settlement ("DS"), small and medium-sized enterprises ("SMEs"), and economic cooperation.

* While the agreement includes a reference to the RoOs chapter (e.g., Chapter 7), the full text of the chapter has not yet been published as part of the agreement. However, it is expected to be released soon.

In detail (cont'd)

Notable benefits of the CEPA for the UAE and Jordan include:

1. Free Zone Goods

While the GAFTA Agreement does not provide explicit guidance on the treatment of goods originating from free zones, in practice this has often posed challenges for free zones manufacturers and traders seeking preferential access under GAFTA. In contrast, the UAE-Jordan CEPA marks a significant shift by clearly allowing goods manufactured in free zones to benefit from preferential tariff treatment, provided they satisfy the CEPA RoOs.

This development reinforces customs certainty by formally recognising the eligibility of qualifying free zone originating goods for preferential tariff treatment, thereby expanding the operational scope for free zone manufacturers and enhancing their integration into the bilateral preferential trade framework.

2. Elimination or Reduction on Tariffs for Trade in Goods

Under the UAE–Jordan CEPA, both countries have agreed to adopt the same preferential tariff treatment currently applied under the GAFTA Agreement for originating goods traded between them. As a result, all customs duties on such goods will be eliminated (i.e., 0%) from the date the agreement enters into force (15 May 2025), maintaining goods trade liberalization at levels exceeding 98% of tariff items and covering over 99.5% of UAE exports to Jordan.

However, this tariff elimination does not apply to goods that are prohibited from importation, circulation, or use in either country due to health, religious, environmental, or security reasons, which constitute approximately 2% of tariff items*.

3. Customs and Trade Facilitation

In alignment with the World Trade Organisation ("WTO"), including its Trade Facilitation Agreement ("TFA"), and the guidelines of the World Customs Organisation ("WCO"), the CEPA introduces measures to facilitate cross-border trade and ensure efficient customs procedures. These include issuing customs rulings prior to import and adopting international best practices in customs management.

Additionally, the CEPA promotes cooperation on customs and trade facilitation through commitments to conclude a mutual administrative assistance agreement for Authorized Economic Operator ("AEO") programs. These arrangements aim to streamline cross-border procedures, enhance supply chain security, and improve risk-based targeting by offering trusted traders reduced inspections and expedited customs clearance.

4. Trade in Services

Jordan has offered market access to the UAE across broad service sectors, including professional, financial, logistics, maritime, travel and tourism, and air transport services. The agreement also allows for the temporary presence of business visitors and intra-corporate transferees from both countries to supply services in each other's markets.

5. Additional provisions adopted by CEPA

Beyond preferential tariff treatment for free zone goods, the agreement includes several other provisions that benefit exporters, importers, and service providers in both countries. These include:

- Enhanced cooperation on technical barriers to trade ("TBT"), ensuring that technical regulations (e.g., product size, weight, packaging, ingredients, marking, labeling) and conformity assessment procedures (e.g., sampling, testing, inspection, accreditation) are non-discriminatory and do not create unnecessary obstacles to trade.
- Promotion of trade opportunities for SMEs, including support for digital trade, improved access to information, and collaboration to identify new commercial opportunities.

* The UAE and Jordan will soon exchange lists of the specific tariff lines to which these exclusions apply.

The Takeaway

The UAE–Jordan CEPA officially entered into force on 15 May 2025, offering significant opportunities for businesses engaged in bilateral trade between these countries. In our view, one of the most important developments introduced by the CEPA is the extension of preferential tariff treatment to goods originating from free zones, provided that the applicable RoOs are met, a benefit not previously offered under the GAFTA Agreement.

Businesses operating in UAE and Jordan free zones are strongly encouraged to assess their origin compliance processes and customs documentation readiness to fully leverage this preferential access and drive immediate savings and competitive advantage.

Let's talk

To better understand how this CEPA may impact your trade operations and unlock new opportunities, please contact:



Carlos Garcia

Middle East Customs & International Trade Leader

Tel: +971 56 682 0642

c.garcia@pwc.com



Shaimaa Hussein

Director, Customs & International Trade

Tel: +971 56 364 3057

shaimaa.m.hussein@pwc.com



Rakan AlHiary

Director, Customs & International Trade

Tel: +966 56 925 7606

rakan.alhiary@pwc.com



Abdulla Alkaabi

Senior Associate, Customs & International Trade

Tel: +971 56 511 3971

abdulla.a.alkaabi@pwc.com



Thank you

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