



Bahrain-United States Free Trade Agreement

Electronic Commerce

The Electronic Commerce Chapter of the FTA includes provisions designed to promote and facilitate bilateral electronic commerce and trade between the Kingdom of Bahrain and the United States.

Each government commits to nondiscriminatory treatment of digital products and agrees not to impose customs duties on digital products and to prohibit discriminatory regulation of e-trade in digitally encoded products, such as computer programs, video, images, and sound recordings.

Customs Duties on Digital Products

The Agreement provides for the elimination of customs duties on Bahrain and U.S. digital products that are transmitted electronically.

Customs duties may still be imposed on digital products that are fixed on a carrier medium, such as a CD or DVD, provided that the duty is based on the cost or value of that medium alone, rather than the cost or value of the digital content stored on that medium.

Non-Discrimination

The Agreement prohibits any discriminatory measure against electronically transmitted digital products of the two countries.

In particular, neither Bahrain nor the United States may treat digital products less favorably because such digital products have undergone certain activities (e.g., creation, production, first sale) in the territory of the other country; or because they are associated with certain author, performer, producer, developer, or distributor who is a person of the other country or a third country. Nor may either country treat digital products that have such a nexus to the other country less favorably than it treats like digital products with such a nexus to a third country.