Community legislation in force

Document 200A0621(01)

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[ 11.40.20 - The Near and Middle East ]

200A0621(01)

Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part - Protocol 1 concerning the arrangements applicable to the importation into the Community of agricultural products originating in Israel - Protocol 2 concerning the arrangements applicable to the importation into Israel of agricultural products originating in the Community - Protocol 3 concerning plant protection matters - Protocol 4 concerning the definition of 'originating products' and methods of administrative cooperation - Protocol 5 on mutual assistance between administrative authorities in customs matters - Joint Declarations - Agreement in the form of an Exchange of Letters concerning outstanding bilateral issues - Agreement in the form of an Exchange of letters relating to Protocol 1 and concerning imports into the Community of fresh cut flowers and flower buds falling within subheading 0603 10 of the Common Customs Tariff - Agreement in the form of an Exchange of Letters regarding the implementation of the Uruguay Round Agreements - Declarations by the European Community - Declaration by Israel

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Amendments:
Adopted by 300D0384 (OJ L 147 21.06.2000 p.1)

Text:

Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part
THE KINGDOM OF BELGIUM,
THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
IRELAND,
THE ITALIAN REPUBLIC,
THE GRAND DUCHY OF LUXEMBOURG,
THE KINGDOM OF THE NETHERLANDS,
THE REPUBLIC OF AUSTRIA,
THE PORTUGUESE REPUBLIC,
THE REPUBLIC OF FINLAND,
THE KINGDOM OF SWEDEN,
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Community and the Treaty establishing the European Coal and Steel Community, hereinafter referred to as the "Member States", and

THE EUROPEAN COMMUNITY,
THE EUROPEAN COAL AND STEEL COMMUNITY,
hereinafter referred to as "the Community", of the one part, and

THE STATE OF ISRAEL,
hereinafter referred to as "Israel", of the other part,

CONSIDERING the importance of the existing traditional links between the Community, its Member States and Israel, and the common values that they share;

CONSIDERING that the Community, its Member States and Israel wish to strengthen those links and to establish lasting relations, based on reciprocity and partnership, and promote a further integration of Israel's economy into the European economy;

CONSIDERING the importance which the Parties attach to the principle of economic freedom and to the principles of the United Nations Charter, particularly the observance of human rights and democracy, which form the very basis of the Association;

CONSCIOUS of the need to associate their efforts to strengthen political stability and economic development through the encouragement of regional cooperation;

DESIROUS of establishing and developing regular political dialogue on bilateral and international issues of mutual interest;

DESIROUS of maintaining and intensifying a dialogue on economic, scientific, technological, cultural, audiovisual and social matters to the benefit of the Parties;

CONSIDERING the respective commitments of the Community and Israel to free trade, and in particular to compliance with the rights and obligations arising out of the General Agreement on Tariffs and Trade (GATT) as it results from the negotiations of the Uruguay Round;

CONVINCED that the Association Agreement will create a new climate for their economic relations and in particular for the development of trade, investment and economic and technological cooperation,
HAVE AGREED AS FOLLOWS:

Article 1
1. An association is hereby established between the Community and its Member States, of the one part, and Israel, of the other part.
2. The aims of this Agreement are:
   - to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties,
   - through the expansion, inter alia, of trade in goods and services, the reciprocal liberalisation of the right of establishment, the further progressive liberalisation of public procurement, the free movement of capital and the intensification of cooperation in science and technology to promote the harmonious development of economic relations between the Community and Israel and thus to foster in the Community and in Israel the advance of economic activity, the improvement of living and employment conditions, and increased productivity and financial stability,
   - to encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability,
   - to promote cooperation in other areas which are of reciprocal interest.

Article 2
Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect for human rights and democratic principles, which guides their internal and international policy and constitutes an essential element of this Agreement.

TITLE I
POLITICAL DIALOGUE

Article 3
1. A regular political dialogue shall be established between the Parties. It shall strengthen their relations, contribute to the development of a lasting partnership and increase mutual understanding and solidarity.
2. The political dialogue and cooperation shall in particular:
   - develop better mutual understanding and an increasing convergence of positions on international issues, and in particular on those issues likely to have substantial effects on one or the other Party,
   - enable each Party to consider the position and interests of the other,
   - enhance regional security and stability.

Article 4
The political dialogue shall cover all subjects of common interest, and shall aim to open the way to new forms of cooperation with a view to common goals, in particular peace, security and democracy.

Article 5
1. The political dialogue shall facilitate the pursuit of joint initiatives and shall take place in particular:
   (a) at ministerial level;
   (b) at senior official level (political directors) between representatives of Israel, of the one part, and of the Council Presidency and the Commission, of the other;
(c) by taking full advantage of all diplomatic channels including regular briefings by officials, consultations on the occasion of international meetings and contacts between diplomatic representatives in third countries;
(d) by providing regular information to Israel on issues relating to the common foreign and security policy, which shall be reciprocated;
(e) by any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue.

2. There shall be a political dialogue between the European Parliament and the Israeli Knesset.

TITLE II
FREE MOVEMENT OF GOODS
CHAPTER 1
BASIC PRINCIPLES

Article 6
1. The free trade area between the Community and Israel shall be reinforced according to the modalities set out in this Agreement and in conformity with the provisions of the General Agreement on Tariffs and Trade of 1994 and of other multilateral agreements on trade in goods annexed to the Agreement establishing the World Trade Organisation (WTO), hereinafter referred to as the "GATT".
2. The Combined Nomenclature and the Israeli customs tariff shall be used for the classification of goods in trade between the Parties.

CHAPTER 2
INDUSTRIAL PRODUCTS

Article 7
The provisions of this Chapter shall apply to products originating in the Community and in Israel other than those listed in Annex II to the Treaty establishing the European Community and, as far as products originating in Israel are concerned, other than those listed in Annex I to this Agreement.

Article 8
Customs duties on imports and exports, and any charges having equivalent effect, shall be prohibited between the Community and Israel. This shall also apply to customs duties of a fiscal nature.

Article 9
1. (a) The provisions of this chapter shall not preclude the retention by the Community of an agricultural component in respect of goods originating in Israel and listed in Annex II to this Agreement, with the exception of those listed in Annex III.
   (b) This agricultural component shall be calculated on the basis of the difference between the prices on the Community market of the agricultural products considered to have been used in the production of the goods and the prices of imports from third countries, where the total cost of the basic products in question is higher in the Community. The agricultural component may take the form of a flat-rate amount or an ad valorem duty.
In cases where this agricultural component has been subject to tarification it will be replaced by the respective specific duty.

2. (a) The provisions of this chapter shall not preclude the retention by Israel of an agricultural component in respect of goods originating in the Community and listed in Annex IV, with the exception of those listed in Annex V.

(b) This agricultural component shall be calculated mutatis mutandis on the basis of the criteria referred to in paragraph 1(b). It may take the form of a flat-rate amount or an ad valorem duty.

(c) Israel may enlarge the list of goods to which this agricultural component applies, provided the goods are other than those listed in Annex V and are included in Annex II to this Agreement. Before its adoption, this agricultural component shall be notified for examination to the Association Committee which may take any decision needed.

3. By way of derogation from Article 8, the Community and Israel may apply to the goods listed respectively in Annexes III and V the duties indicated in respect of each of the goods.

4. Where, in trade between the Community and Israel, the charge applicable to a basic agricultural product is reduced, or as a result of mutual concessions for processed agricultural products, the agricultural components applied in accordance with paragraphs 1 and 2 may be reduced.

5. The reduction referred to in paragraph 4, the list of goods concerned and, where applicable, the tariff quotas to which the reduction refers, shall be established by the Association Council.

6. The list of goods which are subject to a concession in form of a reduced agricultural component in trade between the Community and Israel as well as the extent of these concessions are set out in Annex VI.

CHAPTER 3
AGRICULTURAL PRODUCTS

Article 10
The provisions of this Chapter shall apply to products originating in the Community and Israel and listed in Annex II to the Treaty establishing the European Community.

Article 11
The Community and Israel shall progressively establish a greater liberalisation of their trade in agricultural products of interest to both Parties. From 1 January 2000 the Community and Israel shall examine the situation in order to determine the measures to be applied by the Community and Israel from 1 January 2001 in accordance with this objective.

Article 12
Agricultural products originating in Israel listed in Protocols 1 and 3 on importation into the Community shall be subject to the arrangements set out in those Protocols.

Article 13
Agricultural products originating in the Community listed in Protocols 2 and 3 on importation into Israel shall be subject to the arrangements set out in those Protocols.

Article 14
Without prejudice to Article 11 and taking account of the volume of trade in agricultural products between them and of their particular sensitivity, the Community and Israel shall examine in the Association Council, product by product and on an orderly and reciprocal basis, the possibility of granting each other further concessions.

Article 15
The Community and Israel agree to examine, at the latest three years after entry into force of the Agreement, the possibility of granting each other, on the basis of reciprocity and mutual interest, concessions in trade in fisheries products.

CHAPTER 4
COMMON PROVISIONS
Article 16
Quantitative restrictions on imports and all measures having equivalent effect shall be prohibited between the Community and Israel.

Article 17
Quantitative restrictions on exports and all measures having equivalent effect shall be prohibited between the Community and Israel.

Article 18
1. Products originating in Israel shall not on importation into the Community be accorded a treatment more favourable than that which the Member States apply among themselves.  
2. Application of the provisions of this Agreement shall be without prejudice to Council Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands.

Article 19
1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the territory of the other Party.  
2. Products exported to the territory of one of the Parties may not benefit from repayment of indirect internal taxation in excess of the amount of indirect taxation imposed on them directly or indirectly.

Article 20
1. In the event of specific rules being established as a result of the implementation of its agricultural policy or of any alteration of the current rules or in the event of any alteration or extension of the provisions relating to the implementation of the agricultural policy, the Party in question may amend the arrangements resulting from the Agreement in
respect of the products which are the subject of those rules or alterations. 2. In such cases the Party in question shall take due account of the interests of the other Party. To this end the Parties may consult each other within the Association Council.

Article 21
1. The Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade, except in so far as they alter the trade arrangements provided for in the Agreement. 2. Consultation between the Community and Israel shall take place within the Association Council concerning agreements establishing customs unions or free trade areas and, where required, on other major issues related to their respective trade policy with third countries. In particular, in the event of a third country acceding to the European Union, such consultation shall take place so as to ensure that account can be taken of the mutual interests of the Community and Israel.

Article 22
If one of the Parties finds that dumping is taking place in trade with the other Party within the meaning of Article VI of the GATT, it may take appropriate measures against this practice in accordance with the Agreement on implementation of Article VI of the GATT and with its relevant internal legislation, under the conditions and in accordance with the procedures laid down in Article 25.

Article 23
Where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:
- serious injury to domestic producers of like or directly competitive products in the territory of one of the Parties, or
- serious disturbances in any sector of the economy, or
- difficulties which could bring about serious deterioration in the economic situation of a region,
the Community or Israel may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 25.

Article 24
Where compliance with the provisions of Article 17 leads to:
(i) re-export towards a third country against which the exporting Party maintains, for the product concerned, quantitative export restrictions, export duties, or measures having equivalent effect, or
(ii) a serious shortage, or threat thereof, of a product essential to the exporting Party,
and where the situations referred to above give rise, or are likely to give rise, to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 25. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.
Article 25
1. In the event of the Community or Israel subjecting imports of products liable to give rise to the difficulties referred to in Article 23, to an administrative procedure, the purpose of which is to provide rapid information on the trend of trade flows, it shall inform the other Party.
2. In the cases specified in Articles 22, 23 and 24, before taking the measures provided for therein or, as soon as possible in cases to which paragraph 3(d) applies, the Party in question shall supply the Association Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.
In the selection of appropriate measures, priority shall be given to those which least disturb the functioning of the Agreement.
The safeguard measures shall be notified immediately to the Association Committee and shall be the subject of periodical consultations within the Committee, particularly with a view to their abolition as soon as circumstances permit.
3. For the implementation of paragraph 2, the following provisions shall apply:
   (a) as regards Article 22, the Association Committee shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. If no end has been put to the dumping or no other satisfactory solution has been reached within 30 days of the notification being made, the importing Party may adopt the appropriate measures;
   (b) as regards Article 23, the difficulties arising from the situation referred to in that Article shall be referred for examination to the Association Committee, which may take any decision needed to put an end to such difficulties.
If the Association Committee or the exporting Party has not taken a decision putting an end to the difficulties or no other satisfactory solution has been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures to remedy the problem. These measures must not exceed the scope of what is necessary to remedy the difficulties which have arisen;
   (c) as regards Article 24, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Association Committee.
The Association Committee may take any decision needed to put an end to the difficulties. If it has not taken such a decision within 30 days of the matter being referred to it, the exporting Party may apply appropriate measures on the exportation of the product concerned;
   (d) where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Party concerned may, in the situations specified in Articles 22, 23 and 24 apply forthwith such precautionary measures as are strictly necessary to remedy the situation, and shall inform the other Party immediately.

Article 26
When one or more Member States of the Community or Israel is in serious balance of payments difficulties or under threat thereof, the Community or Israel, as the case may be, may, in accordance with the conditions laid down within the framework of the GATT and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictive measures which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Community or Israel, as the case may be, shall inform the other Party forthwith and present to the other Party, as soon as possible, a time schedule for their removal.

Article 27
Nothing in this Agreement shall preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual, industrial and commercial property or rules concerning gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 28
The concept of "originating products" for the application of this title and the methods of administrative cooperation relating to them are set out in Protocol 4.

TITLE III
RIGHT OF ESTABLISHMENT AND SUPPLY OF SERVICES
Article 29
1. The Parties agree to widen the scope of the Agreement to cover the right of establishment of firms of one Party in the territory of another Party and the liberalisation of the provision of services by one Party's firms to consumers of services in the other.
2. The Association Council shall make the necessary recommendations for the implementation of the objective described in paragraph 1.
   In making such recommendations, the Association Council shall take account of past experience of implementation of the reciprocal most-favoured-nation treatment and of the obligations of each Party under the General Agreement on Trade in Services, hereinafter referred to as the "GATS", particularly those in Article V of the latter.
3. The Association Council shall make a first assessment of the achievement of this objective no later than three years after the Agreement enters into force.

Article 30
1. At the outset, each of the Parties reaffirms its obligations under the GATS, particularly the obligation to grant reciprocal most-favoured-nation treatment in the services sectors covered by that obligation.
2. In accordance with the GATS, this treatment shall not apply to:
(a) advantages accorded by either Party under the terms of an agreement of the type defined in Article V of the GATS nor to measures taken on the basis of such an agreement;
(b) other advantages granted in accordance with the list of most-favoured-nation exemptions annexed by either Party to the GATS.

TITLE IV
CAPITAL MOVEMENTS, PAYMENTS, PUBLIC PROCUREMENT, COMPETITION AND INTELLECTUAL PROPERTY
CHAPTER 1
CAPITAL MOVEMENTS AND PAYMENTS
Article 31
Within the framework of the provisions of this Agreement, and subject to the provisions of Articles 33 and 34, there shall be no restrictions between the Community of the one part, and Israel of the other part, on the movement of capital and no discrimination based on the nationality or on the place of residence of their nationals or on the place where such capital is invested.

Article 32
Current payments connected with the movement of goods, persons, services or capital within the framework of this Agreement shall be free of all restrictions.

Article 33
Subject to other provisions in this Agreement and other international obligations of the Community and Israel, the provisions of Articles 31 and 32 shall be without prejudice to the application of any restriction which exists between them on the date of entry into force of this Agreement, in respect of the movement of capital between them involving direct investment, including in real estate, establishment, the provision of financial services or the admission of securities to capital markets. However, the transfer abroad of investments made in Israel by Community residents or in the Community by Israeli residents and of any profit stemming therefrom shall not be affected.

Article 34
Where, in exceptional circumstances, movements of capital between the Community and Israel cause, or threaten to cause, serious difficulties for the operation of exchange rate policy or monetary policy in the Community or Israel, the Community or Israel respectively may, in conformity within the conditions laid down within the framework of the GATS and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, take safeguard measures with regard to movements of capital between the Community and Israel for a period not exceeding six months if such measures are strictly necessary.

CHAPTER 2
PUBLIC PROCUREMENT
Article 35
CHAPTER 3
COMPETITION

Article 36

1. The following are incompatible with the proper functioning of the Agreement, in so far as they may affect trade between the Community and Israel:
   (i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
   (ii) abuse by one or more undertakings of a dominant position in the territories of the Community or Israel as a whole or in a substantial part thereof;
   (iii) any public aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.

2. The Association Council shall, within three years of the entry into force of the Agreement, adopt by decision the necessary rules for the implementation of paragraph 1. Until these rules are adopted, the provisions of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the GATT shall be applied as the rules for the implementation of paragraph 1(iii).

3. Each Party shall ensure transparency in the area of public aid, inter alia, by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of public aid.

4. With regard to agricultural products referred to in Title II, Chapter 3, paragraph 1(iii) does not apply.

5. If the Community or Israel considers that a particular practice is incompatible with the terms of paragraph 1 and:
   - is not adequately dealt with under the implementing rules referred to in paragraph 2, or
   - in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry, it may take appropriate measures after consultation within the Association Committee or after 30 working days following referral for such consultation.

With reference to practices incompatible with paragraph 1(iii), such appropriate measures, when the GATT is applicable to them, may only be adopted in accordance with the procedures and under the conditions laid down by the GATT or by any other relevant instrument negotiated under its auspices and applicable to the Parties.
6. Notwithstanding any provisions to the contrary adopted in accordance with paragraph 2, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

Article 37
1. The Member States and Israel shall progressively adjust any State monopolies of a commercial character, so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and Israel.
2. The Association Committee shall be informed about the measures adopted to implement this objective.

Article 38
With regard to public undertakings and undertakings to which special or exclusive rights have been granted, the Association Council shall ensure that as from the fifth year following the date of entry into force of this Agreement there is neither enacted nor maintained any measure distorting trade between the Community and Israel to an extent contrary to the Parties' interests. This provision should not obstruct the performance in law or in fact of the particular tasks assigned to those undertakings.

CHAPTER 4
INTELLECTUAL, INDUSTRIAL AND COMMERCIAL PROPERTY
Article 39
1. Pursuant to the provisions of this Article and of Annex VII, the Parties shall grant and ensure adequate and effective protection of intellectual, industrial and commercial property rights in accordance with the highest international standards, including effective means of enforcing such rights.
2. The implementation of this Article and of Annex VII shall be regularly reviewed by the Parties. If problems in the area of intellectual, industrial and commercial property affecting trading conditions were to occur, urgent consultation within the Association Committee shall be undertaken, at the request of either Party, with a view to reaching mutually satisfactory solutions.

TITLE V
SCIENTIFIC AND TECHNOLOGICAL COOPERATION
Article 40
The Parties undertake to intensify scientific and technological cooperation. Detailed arrangements for the implementation of this objective shall be set out in separate agreements concluded for this purpose.

TITLE VI
ECONOMIC COOPERATION
Article 41
Objectives
The Community and Israel undertake to promote economic cooperation to their mutual benefit and on the basis of reciprocity in accordance with the
overall objectives of the Agreement.

Article 42

Scope
1. Cooperation shall focus principally on sectors relevant to the rapprochement of the economies of the Community and Israel or producing growth or employment. The main sectors of cooperation are set out in Articles 44 to 57, without prejudice to the possibility of including cooperation in other sectors of interest to the Parties.
2. Conservation of the environment and ecological balance shall be taken into account in the implementation of the various sectors of economic cooperation to which it is relevant.

Article 43

Methods and Modalities
Economic cooperation shall be implemented in particular by:
(a) a regular economic dialogue between the Parties, which covers all areas of economic policy and, in particular, fiscal policy, balance of payments and monetary policy, and which shall enhance close collaboration between the authorities concerned with economic policy, each in their respective areas of competence within the Association Council or any other forum designated by the Association Council;
(b) a regular exchange of information and ideas in every sector of cooperation including meetings of officials and experts;
(c) transfer of advice, expertise and training;
(d) implementation of joint actions such as seminars and workshops;
(e) technical, administrative and regulatory assistance;
(f) the dissemination of information on cooperation.

Article 44

Regional cooperation
The Parties shall encourage operations designed to promote regional cooperation.

Article 45

Industrial cooperation
The Parties shall promote cooperation in particular in the following areas:
- industrial cooperation between economic operators in the Community and in Israel, including access for Israel to Community networks for the rapprochement of businesses and decentralised cooperation,
- diversification of industrial output in Israel,
- cooperation between small and medium-sized enterprises in the Community and Israel,
- easier access to investment finance,
- information and support services,
- stimulation of innovation.

Article 46

Agriculture
The Parties shall focus cooperation in particular on:
support for policies implemented by them to diversify production,
- promotion of environment-friendly agriculture,
- closer relations between businesses, groups and organisations representing trades and professions in Israel and in the Community on a voluntary basis,
- technical assistance and training,
- harmonisation of phytosanitary and veterinary standards,
- integrated rural development, including improvement in basic services and development of associated economic activities,
- cooperation among rural regions, exchange of experience and know-how concerning rural development.

Article 47
Standards
The Parties shall aim to reduce differences in standardisation and conformity assessment. To this end the Parties shall conclude where appropriate agreements on mutual recognition in the field of conformity assessment.

Article 48
Financial services
The Parties shall cooperate, where appropriate through the conclusion of agreements, on the adoption of common rules and standards, inter alia, for accounting and for supervisory and regulatory systems of banking, insurance and other financial sectors.

Article 49
Customs
1. The Parties commit themselves to developing customs cooperation to ensure that the provisions on trade are observed. For this purpose they shall establish a dialogue on customs matters.
2. Cooperation shall focus on the simplification and computerisation of customs procedures, which shall, in particular, take the form of exchange of information among experts and vocational training.
3. Without prejudice to other forms of cooperation envisaged in this agreement, notably for the fight against drugs and money laundering, the Parties’ administrations shall provide mutual assistance in accordance with the provisions of Protocol 5.

Article 50
Environment
1. The Parties shall promote cooperation in the tasks of preventing deterioration of the environment, controlling pollution and ensuring the rational use of natural resources, with a view to ensuring sustainable development and promoting regional environmental projects.
2. Cooperation shall focus, in particular, on:
   - desertification,
   - the quality of Mediterranean water and the control and prevention of marine pollution,
   - waste management,
- salinisation,
- environmental management of sensitive coastal areas,
- environmental education and awareness,
- the use of advanced tools of environmental management, environmental monitoring methods and surveillance, including the use of environmental information systems (EIS) and environmental impact assessment,
- the impact of industrial development on the environment in general and the safety of industrial facilities in particular,
- the impact of agriculture on soil and water quality.

Article 51
Energy
1. The Parties consider that global warming and the depletion of fossil fuel sources are a serious threat to mankind. The Parties shall therefore cooperate with a view to developing sources of renewable energy, to ensure the use of fuels with the purpose of limiting pollution of the environment and promoting energy conservation.
2. The Parties shall endeavour to encourage operations designed to favour regional cooperation on matters such as transit of gas, oil and electricity.

Article 52
Information infrastructures and telecommunications
The Parties shall promote cooperation in the development of information infrastructures and telecommunications to their mutual benefit. Cooperation shall focus primarily on pursuing actions related to research and technological development, harmonisation of standards and modernisation of technology.

Article 53
Transport
1. The Parties shall promote cooperation in the field of transport and related infrastructure, in order to improve the efficiency of movement of passengers and of goods, both at bilateral and regional level.
2. Cooperation shall focus, in particular, on:
   - achieving high standards of safety and security in maritime and air transport; for this purpose the Parties shall establish consultations at expert level to exchange information,
   - standardisation of technical equipment, in particular in combined, multimodal transport and transhipment,
   - promotion of joint technological and research programmes.

Article 54
Tourism
The Parties shall exchange information on planned tourism development and tourism marketing projects, tourism shows, exhibitions, conventions and publications.

Article 55
Approximation of laws
The Parties shall use their best endeavours to approximate their respective
laws in order to facilitate the implementation of this Agreement.

Article 56
Drugs and money laundering
1. The Parties shall cooperate with a view in particular to:
   - improving the effectiveness of policies and measures to counter the supply of, and illicit trafficking in, narcotic drugs and psychotropic substances and the reduction of the abuse of these products,
   - encouraging a joint approach to reducing demand,
   - preventing the use of the Parties' financial systems to launder capital arising from criminal activities in general and drug trafficking in particular.
2. Cooperation shall take the form of exchange of information and, where appropriate, joint activities on:
   - drafting and implementation of national legislation,
   - monitoring trade in precursors,
   - establishment of social and health institutions and information systems and the implementation of projects along these lines, including training and research projects,
   - implementation of the highest possible international standards relating to the fight against money laundering and the misuse of chemical precursors, in particular those adopted by the Financial Action Task Force (FATF) and the Chemical Action Task Force (CATF).
3. The Parties shall determine together, in accordance with their respective legislation, the strategies and cooperation methods appropriate for attaining these objectives. Their operations, other than joint operations, shall form the subject of consultations and close coordination. The relevant public and private sector bodies, in accordance with their own powers, working with the competent bodies of Israel, the Community and its Member States, may take part in these operations.

Article 57
Migration
The Parties shall cooperate with a view in particular to:
   - defining areas of mutual interest concerning policies on immigration,
   - increasing the effectiveness of measures aimed at preventing or curbing illegal migratory flows.

TITLE VII
COOPERATION ON AUDIOVISUAL AND CULTURAL MATTERS, INFORMATION AND COMMUNICATION
Article 58
1. The Parties shall undertake to promote cooperation in the audiovisual sector to their mutual benefit.
2. The Parties shall seek ways of associating Israel with Community initiatives in this sector, thus enabling cooperation in such areas as coproduction, training, development and distribution.

Article 59
The Parties shall promote cooperation on education, training and youth
exchange. The areas of cooperation may include in particular: youth exchanges, cooperation among universities and other educational/training institutions, language training, translation and other ways of promoting better mutual understanding of their respective cultures.

Article 60
The Parties shall promote cultural cooperation. The areas of cooperation may include in particular translation, exchange of works of art and artists, conservation and restoration of historic and cultural monuments and sites, training of persons working in the cultural field, the organisation of European-oriented cultural events, raising mutual awareness and contributing to the dissemination of information on outstanding cultural events.

Article 61
The Parties shall promote activities of mutual interest in the field of information and communication.

Article 62
Cooperation shall be implemented in particular through:
(a) a regular dialogue between the Parties;
(b) a regular exchange of information and ideas in every sector of cooperation including meetings of officials and experts;
(c) transfer of advice, expertise and training;
(d) implementation of joint actions such as seminars and workshops;
(e) technical, administrative and regulatory assistance;
(f) the dissemination of information on cooperation initiatives.

TITLE VIII
SOCIAL MATTERS
Article 63
1. The Parties shall conduct a dialogue covering all aspects of mutual interest. The dialogue shall cover in particular questions relating to social problems of post-industrial societies, such as unemployment, rehabilitation of disabled people, equal treatment for men and women, labour relations, vocational training, work safety and hygiene, etc.
2. Cooperation will take place through experts’ meetings, seminars and workshops.

Article 64
1. In order to coordinate the social security regimes of Israeli workers legally employed on the territory of a Member State and of their family members legally resident there, the following provisions should apply, subject to the conditions and modalities applicable in each Member State:
   - all periods of insurance, employment or residence fulfilled by such workers in the different Member States shall be totalled for the purposes of the establishment of the right to old age, invalidity and survivors’ pensions and allowances and for the purposes of medical care for themselves and their families,
   - all pensions and allowances for old age, survivors, accident at work,
occupational illness or invalidity, with the exception of non-contributory payments, shall benefit from free transfer to Israel at the rate applicable resulting from the legislation of the liable Member State(s),
- the workers concerned shall receive family allowances for the members of their family referred to above.
2. Israel shall grant to workers who are nationals of a Member State legally employed on its territory and to their family members legally resident there a treatment similar to that referred to in paragraph 1, second and third indents, subject to the conditions and modalities applicable in Israel.

Article 65
1. The Association Council shall decide on the provisions for the implementation of the objectives contained in Article 64.
2. The Association Council shall decide on the modalities of administrative cooperation to guarantee the management and control necessary for the implementation of the provisions contained in paragraph 1.

Article 66
The arrangements decided by the Association Council, in accordance with Article 65, shall in no way affect the rights and obligations resulting from bilateral agreements between Israel and the Member States where these agreements provide for a more favourable treatment of Israeli nationals or for nationals of the Member States.

TITLE IX
INSTITUTIONAL, GENERAL AND FINAL PROVISIONS
Article 67
An Association Council is hereby established which shall meet at ministerial level once a year and when circumstances require, at the initiative of its Chairman and in accordance with the conditions laid down in its rules of procedure. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

Article 68
1. The Association Council shall consist of the members of the Council of the European Union and members of the Commission of the European Communities, on the one hand, and members of the Government of the State of Israel, on the other.
3. Members of the Association Council may arrange to be represented in accordance with the provisions laid down in its Rules of Procedure.
4. The Association Council shall be chaired in turn by a member of the Council of the European Union and a member of the Government of the State of Israel, in accordance with the provisions laid down in its Rules of Procedure.

Article 69
1. The Association Council shall, for the purpose of attaining the objectives of the Agreement, have the power to take decisions in the cases
provided for therein. These decisions shall be binding on the Parties which shall take the measures necessary to implement the decisions taken. The Association Council may also make appropriate recommendations.

2. The Association Council shall draw up its decisions and recommendations by agreement between the Parties.

Article 70
1. Subject to the powers of the Association Council, an Association Committee is hereby established which shall be responsible for the implementation of the Agreement.
2. The Association Council may delegate to the Association Committee, in full or in part, any of its powers.

Article 71
1. The Association Committee, which shall meet at official level, shall consist of representatives of the members of the Council of the European Union and of members of the Commission of the European Communities, on the one hand, and of representatives of the Government of the State of Israel, on the other.
2. The Association Committee shall establish its Rules of Procedure.
3. The Association Committee shall be chaired in turn by a representative of the Presidency of the Council of the European Union and by a representative of the Government of the State of Israel.

Article 72
1. The Association Committee shall have the power to take decisions for the management of the Agreement as well as in those areas in which the Association Council has delegated its powers to it.
   These decisions shall be binding on the Parties which shall take the measures necessary to implement the decisions taken.
2. The Association Committee shall draw up its decisions by agreement between the Parties.

Article 73
The Association Council may decide to set up any working group or body necessary for the implementation of the Agreement.

Article 74
The Association Council shall take all appropriate measures to facilitate cooperation and contacts between the European Parliament and the Knesset of the State of Israel, and between the Economic and Social Committee of the Community and the Economic and Social Council of Israel.

Article 75
1. Each of the Parties may refer to the Association Council any dispute relating to the application or interpretation of this Agreement.
2. The Association Council may settle the dispute by means of a decision.
3. Each Party shall be bound to take the measures involved in carrying out
the decision referred to in paragraph 2.
4. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months. For the application of this procedure, the Community and the Member States shall be deemed to be one Party to the dispute. The Association Council shall appoint a third arbitrator. The arbitrators' decisions shall be taken by majority vote. Each party to the dispute must take the steps required to implement the decision of the arbitrators.

Article 76
Nothing in the Agreement shall prevent a Party from taking any measures:
(a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
(b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
(c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 77
In the fields covered by this Agreement, and without prejudice to any special provisions contained therein:
- the arrangements applied by Israel in respect of the Community shall not give rise to any discrimination between the Member States, their nationals, or their companies or firms,
- the arrangements applied by the Community in respect of Israel shall not give rise to discrimination between Israeli nationals or its companies or firms.

Article 78
As regards direct taxation, nothing in the Agreement shall have the effect of:
- extending the fiscal advantages granted by either Party in any international agreement or arrangement by which it is bound,
- preventing the adoption or application by either Party of any measure aimed at preventing the avoidance or the evasion of taxes,
- opposing the right of either Party to apply the relevant provisions of its tax legislation to taxpayers whose position, as regards place of residence, is not identical.

Article 79
1. The Parties shall take any general or specific measures required to fulfil their obligations under the Agreement. They shall see to it that the
objectives set out in the Agreement are attained.
2. If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Association Council with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties. In the selection of measures, priority shall be given to those which least disturb the functioning of the Agreement. These measures shall be notified immediately to the Association Council and shall be the subject of consultations within the Association Council if the other Party so requests.

Article 80
Protocols 1 to 5, Annexes I to VII shall form an integral part of this Agreement. Declarations and Exchanges of Letters shall appear in the Final Act, which shall form an integral part of this Agreement.

Article 81
For the purpose of this Agreement the term "Parties" shall mean the Community, or the Member States, or the Community and the Member States, in accordance with their respective powers, of the one part, and Israel of the other part.

Article 82
The Agreement is concluded for an unlimited period. Each of the Parties may denounce the Agreement by notifying the other Party. The Agreement shall cease to apply six months after the date of such notification.

Article 83
This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the European Community and the European Coal And Steel Community are applied and under the conditions laid down in those Treaties and, on the other hand, to the territory of the State of Israel.

Article 84
This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Hebrew languages; each of these texts being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union.

Article 85
This Agreement shall be approved by the Parties in accordance with their own procedures. This Agreement shall enter into force on the first day of the second month following the date on which the Parties notify each other that the procedures referred to in the first paragraph have been completed. Upon its entry into force this Agreement shall replace the Agreement between the European Community and the State of Israel, and the
Agreement between the Member States of the European Coal and Steel Community, of the one part, and the State of Israel, of the other part, signed in Brussels on 11 May 1975.

Hecho en Bruselas, el veinte de noviembre de mil novecientos noventa y cinco.
Udfærdiget i Bruxelles, den tyvende november nitten hundrede og femoghalvfems.
Geschehen zu Brüssel am zwanzigsten November neunzehnhundertfünfundneunzig.
Done at Brussels on the twentieth day of November in the year one thousand, nine hundred and ninety-five.

Pour le Royaume de Belgique/Voor het Koninkrijk België/Für das Königreich Belgien
Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.
Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franstalige Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brusselse Hoofdstedelijke Gewest. Diese Unterschrift verbindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

På Kongeriget Danmarks vegne

Für die Bundesrepublik Deutschland
Por el Reino de España
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Pour la République française
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Thar cheann na hÉireann/For Ireland
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Per la Repubblica italiana
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Pour le Grand-Duché de Luxembourg
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Voor het Koninkrijk der Nederlanden
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Für die Republik Österreich
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Pela República Portuguesa
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Suomen tasavallan puolesta
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Für Konungariket Sverige
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For the United Kingdom of Great Britain and Northern Ireland
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Por las Comunidades Europeas/For De Europeiske Fællesskaber/Für die Europäischen Gemeinschaften/For the European Communities/Pour les Communautés européennes/Per le Comunità europee/Voor de Europese Gemeenschappen/Pelas Comunidades Europeias/Euroopan yhteisöjen puolesta/På Europeiska gemenskapernas vägnar
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ANNEX I
LIST OF PRODUCTS REFERRED TO IN ARTICLE 7

ANNEX II
LIST OF PRODUCTS REFERRED TO IN ARTICLE 9

ANNEX III
LIST OF PRODUCTS REFERRED TO IN ARTICLE 9

ANNEX IV
LIST OF PRODUCTS REFERRED TO IN ARTICLE 9(2)

ANNEX V
LIST OF PRODUCTS REFERRED TO IN ARTICLE 9

ANNEX VI
LIST OF PRODUCTS SUBJECT TO CONCESSIONS REFERRED TO IN ARTICLE 9(6)
Table 1: Imports into the Community of the following goods originating in Israel shall be subject to the concessions set out below
Table 2: Imports into Israel of the following goods originating in the Community shall be subject to the concessions set out below

ANNEX VII
INTELLECTUAL, INDUSTRIAL AND COMMERCIAL PROPERTY RIGHTS REFERRED TO IN ARTICLE 39
1. By the end of the third year after the entry into force of the Agreement, Israel shall accede to the following multilateral conventions on intellectual,
industrial and commercial property rights to which Member States are
parties or which are de facto applied by Member States:
- Berne Convention for the Protection of Literary and Artistic Works (Paris
Act, 1971),
- Madrid Agreement concerning the International Registration of Marks
(Stockholm Act, 1967 and amended in 1979),
- Protocol relating to the Madrid Agreement concerning the International
Registration of Marks (Madrid, 1989),
- Budapest Treaty on the International Recognition of the Deposit of
Microorganisms for the Purposes of Patent Procedure (1977, modified in
1980),
modified in 1984).
The Association Council may decide that this paragraph shall apply to
other multilateral conventions in this field.
2. Israel shall ratify, by the end of the second year after the entry into force
of the Agreement, the International Convention for the Protection of
Performers, Producers of Phonograms and Broadcasting Organisations
(Rome, 1961).
3. The Parties confirm the importance they attach to the obligations arising
from the following multilateral conventions:
- Paris Convention for the Protection of Industrial Property (Stockholm
Act, 1967, and amended in 1979),
- Nice Agreement concerning the International Classification of Goods and
Services for the purposes of the Registration of Marks (Geneva, 1977, and
amended in 1979),
- International Convention for the Protection of New Varieties of Plants

LIST OF PROTOCOLS

PROTOCOL 1
concerning the arrangements applicable to the importation into the
Community of agricultural products originating in Israel

1. The products listed in the Annex, originating in Israel, shall be admitted
for importation into the Community, according to the conditions contained
hereafter and in the Annex.
2. (a) Customs duties shall be either eliminated or reduced as indicated in
column "A".
(b) For certain products, for which the Common Customs Tariff provides
for the application of an ad valorem duty and a specific duty, the rates of
reduction, indicated in columns "A" and "C", shall apply only to the ad
valorem duty. However, for the products corresponding to the Codes 0207
22, 0207 42 and 2204 21, the duty reductions are applied as indicated in
3. For certain products, customs duties shall be eliminated within the limit of the tariff quotas listed in column "B" for each of them.
For the quantities imported in excess of the quotas, the common customs duties shall, according to the product concerned, be applied in full or reduced, as indicated in column "C".
4. For certain products exempt from customs duties, reference quantities are fixed as indicated in column "D".
Should the volume of imports of one of the products exceed the reference quantity, the Community may, having regard to an annual review of trade flows which it shall carry out, make the product in question subject to a Community tariff quota, the volume of which shall be equal to the reference quantity. In that case, for quantities imported in excess of the quota, the common customs duty shall, according to the product concerned, be applied in full or reduced as indicated in column "C".
5. For some of the products indicated in paragraphs 3 and in column "E", the tariff quotas shall be increased from 1 January 1997 to 1 January 2000 on the basis of four equal instalments, each corresponding to 3 % of these amounts.
6. As indicated in column "E", for some products other than those indicated in paragraphs 3 and 4, the Community may fix a reference quantity as provided for in paragraph 4 if, in the light of the annual review of trade flows which it shall carry out, it establishes that the volume of imports of a product or products threatens to cause difficulties on the Community market. If, subsequently, the product is subjected to a tariff quota under the conditions set out in paragraph 4, for quantities imported in excess of the quota, the customs duty shall, according to the product concerned, be applied in full or reduced, as indicated in column "C".

ANNEX

>TABLE POSITION>

PROTOCOL 2
concerning the arrangements applicable to the importation into Israel of agricultural products originating in the Community

1. The products listed in the Annex originating in the Community shall be admitted for importation into Israel according to the conditions contained herein and in the Annex.
2. Import duties on imports shall be either eliminated or reduced to the level indicated in column "A", within the limit of the tariff quota listed in column "B", and subject to the specific provisions indicated in column "C".
3. For the quantities imported in excess of the tariff quotas, the general customs duties applied to third countries will apply, subject to the specific provisions indicated in column "C".
4. For certain products for which no tariff quota is fixed, reference quantities are fixed as indicated in column "C". Should the volume of imports of one of the products exceed the reference quantity, Israel may, having regard to an annual review of trade flows which it shall carry out, make the product in question subject to a tariff quota, the volume of which shall be equal to the reference quantity. In that case, for quantities imported in excess of the quota, the duty referred to in point 3 shall apply.

5. For products for which neither a tariff quota nor a reference quantity is fixed, Israel may fix a reference quantity as provided for in point 4 if, in the light of an annual review of trade flows which it shall carry out, it establishes that the volume of imports of a product or products threatens to cause difficulties on the Israeli market. If, subsequently, the product is subjected to a tariff quota under the conditions set out in point 4, the provisions of point 3 shall apply.

6. For cheese and curd, the tariff quota shall be increased from 1 January 1997 to 1 January 2000 on the basis of four equal instalments, each corresponding to 10% of this amount.

ANNEX

>TABLE POSITION>

PROTOCOL 3

concerning plant protection matters

Without prejudice to the provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures annexed to the Agreement establishing the WTO, and in particular Articles 2 and 6 thereof, the Parties agree that from the entry into force of this Agreement:

(a) on their mutual trade, the requirement for phytosanitary certification shall apply:
   - in respect of cut flowers:
   - only to the genera dendranthema, dianthus and pelargonium for introduction into the Community,
   - and only to rosa, dendranthema, dianthus, pelargonium, gypsophila and anemone for introduction into Israel, and
   - in respect of fruits:
   - only to citrus, fortunella, poncirus and their hybrids anona, cydonia, diospyros, malus, mangifera, passiflore, prunus, psidium, pyrus, ribes, syzygium and vaccinum for introduction into the Community,
   - and to all the genera for introduction into Israel,

(b) on their mutual trade, the requirement for a phytosanitary permit for the introduction of plants or plant products will only apply to enable the introduction of those plants or plant products which would otherwise be prohibited, based on a pest risk analysis,

(c) a Party which envisages the introduction of new phytosanitary
measures which could adversely affect specifically existing trade between the parties, shall hold consultations with the other Party to examine the envisaged measures and their effect.

PROTOCOL 4
concerning the definition of the concept of "originating products" and methods of administrative cooperation

TITLE I
GENERAL PROVISIONS
Article 1
Definitions
For the purposes of this Protocol:
(a) "manufacture" means any kind of working or processing including assembly or specific operations;
(b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
(c) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
(d) "goods" means both materials and products;
(e) "customs value" means the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, 1994 (WTO Agreement on Customs Valuation);
(f) "ex-works price" means the price paid for the product ex-works to the manufacturer in whose undertaking the last working or processing is carried out or to the person who arranged for the last working or processing to be carried outside the territories of the Parties provided the price includes the value of all the materials used, minus all internal taxes which are, or may be, repaid when the product obtained is exported;
(g) "value of materials" means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the territories concerned;
(h) "value of originating materials" means the customs value of such materials as defined in subparagraph (g) applied mutatis mutandis;
(i) "chapters" and "headings" means the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonised Commodity Description and Coding System, referred to in this Protocol as "the Harmonised System" or "HS";
(j) "classified" refers to the classification of a product or material under a particular heading;
(k) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice.

TITLE II
DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"
Article 2
Origin criteria
For the purpose of implementing the Agreement and without prejudice to the provisions of Article 3 of this Protocol, the following products shall be considered as:
1. products originating in the Community:
   (a) products wholly obtained in the Community, within the meaning of Article 4 of this Protocol;
   (b) products obtained in the Community which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working and processing in the Community within the meaning of Article 5 of this Protocol;
2. products originating in Israel:
   (a) products wholly obtained in Israel within the meaning of Article 4 of this Protocol;
   (b) products obtained in Israel which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working or processing in Israel within the meaning of Article 5 of this Protocol.

Article 3
Bilateral cumulation
1. Notwithstanding Article 2(1)(b), materials originating in Israel within the meaning of this Protocol shall be considered as materials originating in the Community and it shall not be necessary that such materials have undergone sufficient working or processing.
2. Notwithstanding Article 2(2)(b), materials originating in the Community within the meaning of this Protocol shall be considered as materials originating in Israel and it shall not be necessary that such materials have undergone working or processing.

Article 4
Wholly obtained products
1. The following shall be considered as wholly obtained either in the Community or in Israel:
   (a) mineral products extracted from their soil or from their seabed;
   (b) vegetable products harvested there;
   (c) live animals born and raised there;
   (d) products from live animals raised there;
   (e) products obtained by hunting or fishing there;
   (f) products of sea fishing and other products taken from the sea by their vessels;
   (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
   (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or use as waste;
   (i) waste and scrap resulting from manufacturing operations conducted there;
   (j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;
   (k) goods produced exclusively from products specified in subparagraphs (a) to (j).
2. The terms "their vessels" and "their factory ships" in paragraph 1(f) and (g) shall apply only to vessels and factory ships:
- which are registered or recorded in a Member State of the Community or in Israel,
- which sail under the flag of a Member State of the Community or of Israel,
- which are owned to an extent of at least 50% by nationals of a Member State of the Community or of Israel, or by a company with its head office in one of these States or in Israel, of which the manager or managers, chairman of the board of directors or the supervisory board, and the majority of the members of such boards are nationals of Member States of the Community or of Israel and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to these States, to Israel, to their public bodies or to their nationals,
- of which the master and officers are nationals of Member States of the Community or of Israel,
- of which at least 75% of the crew are nationals of Member States of the Community or of Israel.
3. The terms the "Community" and "Israel" shall also cover the territorial waters which surround the Member States of the Community and Israel. Sea-going vessels, including factory ships on which the fish caught is worked or processed, shall be considered as part of the territory of the Community or of Israel provided that they satisfy the conditions set out in paragraph 2.

Article 5
Sufficiently worked or processed products
1. For the purposes of Article 2, products which are not wholly obtained in the Community or in Israel are considered to be sufficiently worked or processed there when the conditions set out in the list in Annex II, in conjunction with the Notes in Annex I, are fulfilled. These conditions indicate, for all products covered or not by the Agreement, the working or processing which must be carried out on the non-originating materials used in the manufacture of these products, and apply only in relation to such materials. Accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in the list for that product, is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.
2. Notwithstanding paragraph 1 and except as provided in Article 12(4), non-originating materials which, according to the conditions set out in the list for a given product, should not be used in the manufacture of this product may nevertheless be used, provided that:
(a) their total value does not exceed 10% of the ex-works price of the product;
(b) where, in the list, one or several percentages are given for the maximum value of non-originating materials, such percentages are not exceeded through the application of this paragraph.
This paragraph shall not apply to products falling within Chapters 50 to 63.
of the Harmonised System.
3. Paragraphs 1 and 2 shall apply except as provided in Article 6.

Article 6
Insufficient working or processing operations
The following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 5 are satisfied:
(a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
(b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;
(c) (i) changes of packaging and breaking up and assembly of packages;
(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packaging operations;
d) affixing marks, labels and other like distinguishing signs on products or their packaging;
e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in the Community or in Israel;
f) simple assembly of parts to constitute a complete product;
g) a combination of two or more operations specified in subparagraphs (a) to (f);
h) slaughter of animals.

Article 7
Unit of qualification
1. The unit of qualification for the application of the provisions of this Protocol shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonised System.
Accordingly, it follows that:
(a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonised System in a single heading, the whole constitutes the unit of qualification;
(b) when a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each product must be taken individually when applying the provisions of this Protocol.
2. Where, under general rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 8
Accessories, spare parts and tools
Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and
included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 9
Sets
Sets, as defined in general rule 3 of the Harmonised System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15% of the ex-works price of the set.

Article 10
Neutral elements
In order to determine whether a product originates in the Community or in Israel it shall not be necessary to establish whether the electrical energy, fuel, plant and equipment as well as machines and tools used to obtain such product, or whether any goods, used in the course of production which do not enter and which were not intended to enter into the final composition of the product, are originating or not.

TITLE III
TERRITORIAL REQUIREMENTS
Article 11
Principle of territoriality
The conditions set out in Title II relative to the acquisition of originating status must be fulfilled without interruption in the Community or in Israel. For this purpose, the acquisition of originating status shall be considered as interrupted when goods which have undergone working or processing in the Party concerned have left the territory of this Party, except as provided in Articles 12 and 13.

Article 12
Working or processing carried out outside one of the Parties
1. The acquisition of originating status in one of the Parties under the conditions set out in Title II shall not be affected by working or processing carried out outside this Party and subsequently reimported there, provided that:
(a) the said materials are wholly obtained in the Party concerned or have undergone their working or processing going beyond the insufficient operations listed in Article 6 prior to their exportation; and
(b) it can be demonstrated to the satisfaction of the customs authorities that:
(i) the reimported goods result from the working or processing of the exported materials; and
(ii) the total added value acquired outside the Party concerned through the application of this Article does not exceed 10% of the ex-works price of the final product for which originating status is claimed.
2. For the purposes of paragraph 1, the conditions set out in Title II relative
to the acquisition of originating status shall not apply in respect of working or processing carried out outside the Party concerned. Nevertheless, where, in the relevant list of Annex II, a rule giving the maximum value of all the non-originating materials used is applied in determining the originating status of the final product concerned, the total value of the non-originating materials used in the Party concerned and the total added value acquired outside this Party through the application of this Article taken together shall not exceed the percentage given.

3. For the purposes of paragraphs 1 and 2, "total added value" shall mean all costs accumulated outside the Party concerned, including all the value of the materials added there.

4. Paragraphs 1 and 2 shall not apply to products which do not fulfil the conditions set out in the relevant list rule and which can only be considered as sufficiently worked or processed as a result of the application of the general tolerance in Article 5(2).

5. Paragraphs 1 and 2 shall not apply to products falling within Chapters 50 to 63 of the Harmonised System.

Article 13
Reimportation of goods
Goods exported from the Community or Israel to a third country and subsequently returned, shall be considered as never having left the concerned Party if it can be demonstrated to the satisfaction of the customs authorities that:
(a) the goods returned are the same goods as those exported; and
(b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

Article 14
Direct transport
1. The preferential treatment provided for under the Agreement applies only to products or materials which are transported between the territories of the Community and Israel without entering any other territory. However, goods originating in the Community or in Israel and constituting one single consignment which is not split up may be transported through territory other than that of the Community or Israel with, should the occasion arise, transhipment or temporary warehousing in such territories, provided that the goods have remained under the surveillance of the customs authorities in the country of transit or of warehousing and that they have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

Products originating in the Community or in Israel may be transported by pipeline across territory other than that of the Community or that of Israel.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled may be supplied to the customs authorities of the importing country by the production of:
(a) a through bill of lading issued in the exporting country covering the passage through the country of transit; or
(b) a certificate issued by the customs authorities of the country of transit:
(i) giving an exact description of the products;
(ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships used; and
(iii) certifying the conditions under which the products remained in the transit country; or
c) failing these, any substantiating documents.

Article 15
Exhibitions
1. Products sent from one of the Parties for exhibition in a third country and sold after the exhibition for importation in another Party shall benefit on importation from the provisions of the Agreement on condition that the products meet the requirements of this Protocol entitling them to be recognised as originating in the Community or in Israel and provided that it is shown to the satisfaction of the customs authorities that:
(a) an exporter has consigned these products from one of the Parties to the country in which the exhibition is held and has exhibited them there;
(b) the products have been sold or otherwise disposed of by that exporter to a person in another Party;
(c) the products have been consigned during the exhibition or immediately thereafter to the latter Party in the state in which they were sent for exhibition; and
(d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A proof of origin must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV
DRAWWBACK OR EXEMPTION
Article 16
Prohibition of drawback of, or exemption from, customs duties
1. Non-originating materials used in the manufacture of products originating in the Community or in Israel within the meaning of this Protocol for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in any of the Parties to drawback of, or exemption from, customs duties of whatever kind.
2. The prohibition in paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect, applicable in any of the Parties to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the
said materials are exported and not when they are retained for home use in this Party.
3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having equivalent effect applicable to such materials have actually been paid.
4. The provisions of paragraphs 1 to 3 shall also apply in respect of packaging within the meaning of Article 7(2), accessories, spare parts and tools within the meaning of Article 8 and products in a set within the meaning of Article 9 when such items are non-originating.
5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which the Agreement applies.

TITLE V
PROOF OF ORIGIN
Article 17
General requirements
1. Originating products within the meaning of this Protocol shall, on importation into one of the Parties, benefit from the Agreement upon submission of either:
(a) a movement certificate EUR.1, a specimen of which appears in Annex III; or
(b) in the cases specified in Article 22(1), a declaration, the text of which appears in Annex IV, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified (hereinafter referred to as the "invoice declaration").
2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 27, benefit from this Agreement without it being necessary to submit any of the documents referred to above.

Article 18
Procedure for the issue of a movement certificate EUR.1
1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III. These forms shall be completed in one of the languages in which the Agreement is drawn up, in accordance with the provisions of the domestic law of the exporting country. If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being
crossed through.
3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. The movement certificate EUR.1 shall be issued by the customs authorities of a Member State of the European Community if the goods to be exported can be considered as products originating in the Community within the meaning of Article 2(1) of this Protocol. The movement certificate EUR.1 shall be issued by the customs authorities of Israel if the goods to be exported can be considered as products originating in Israel within the meaning of Article 2(2) of this Protocol.
5. When the provisions of Article 3 are applied, the customs authorities of the Member State of the Community or of Israel may issue movement certificates EUR.1 under the conditions laid down in this Protocol if the goods to be exported can be considered as originating products within the meaning of this Protocol and provided that the goods covered by the movement certificates EUR.1 are in the Community or in Israel. In these cases movement certificates EUR.1 shall be issued subject to the presentation of the proof of origin previously issued or made out. This proof of origin must be kept for at least three years by the customs authorities of the exporting State.
6. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Protocol. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter’s accounts or any other check which they consider appropriate. The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.
7. The date of issue of the movement certificate EUR.1 shall be indicated in the part of the certificate reserved for the customs authorities.
8. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country when the products to which it relates are exported. It shall be made available to the exporter as soon as actual exportation has been effected or ensured.

Article 19
Movement certificates EUR.1 issued retrospectively
1. Notwithstanding Article 18(8), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:
(a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
(b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter must indicate in this application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for his request.

3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:
   "NACHTRÄGLICH AUSGESTELLT",
   "DÉLIVRÉ A POSTERIORI",
   "RILASCIATO A POSTERIORI",
   "AFGEGEVEN A POSTERIORI",
   "ISSUED RETROSPECTIVELY",
   "UDSTEDT EFTERFØLGENDE",
   ">ISO_7>ÁÆÀÆÁÍ ÅÈ ÕÚÍ ÕÓÀÑÜÍ",
   ">ISO_1>EXPEDIDO A POSTERIORI",
   "EMITIDO A POSTERIORI",
   "ANNETTU JÄLKIKÄTEEEN",
   "UTFÄRDAT I EFTERHAND",

5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box of the movement certificate EUR.1.

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Article 20

Issue of a duplicate movement certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate issued in this way must be endorsed with one of the following words:
   "DUPLIKAT",
   "DUPLICATA",
   "DUPLICATO",
   "DUPLICAAT",
   "DUPLICATE",
   ">ISO_7>ÁÆÀÆÁÍ ÅÈ ÕÚÍ ÕÓÀÑÜÍ",
   ">ISO_1>DUPLICADO",
   "SEGUNDA VIA",
   "KAKSOISKAPPALE",

3. The endorsement referred to in paragraph 2, the date of issue and the serial number of the original certificate shall be inserted in the "Remarks" box of the duplicate movement certificate EUR.1.

4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

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Article 21
Replacement of certificates
1. It shall at any time be possible to replace one or more movement certificates EUR.1 by one or more other certificates provided that this is done by the customs office responsible for controlling the goods.
2. The replacement certificate shall be regarded as a definite movement certificate EUR.1 for the purpose of the application of this Protocol, including the provisions of this Article.
3. The replacement certificate shall be issued on the basis of a written request from the re-exporter, after the authorities concerned have verified the information supplied in the applicant's request. The date and serial number of the original movement certificate EUR.1 shall be given in box 7.

Article 22
Conditions for making out an invoice declaration
1. An invoice declaration as referred to in Article 17(1)(b) may be made out:
   (a) by an approved exporter within the meaning of Article 23;
   (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed ECU 6000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in one of the Parties and fulfil the other requirements of this Protocol.
3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Annex IV, using one of the linguistic versions set out in that Annex in accordance with the provisions of the domestic law of the exporting country. The declaration may also be handwritten; in such a case, it shall be written in ink in printed characters.
5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 23 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.
6. An invoice declaration may be made out by the exporter when the products to which it relates are exported (or exceptionally after exportation). If the invoice declaration is made out after the products to which it relates have been declared to the customs authorities in the importing country, this invoice declaration must bear a reference to the documents already submitted to these authorities.
Article 23
Approved exporter
1. The customs authorities of the exporting country may authorise any exporter, hereinafter referred to as "approved exporter", who makes frequent shipments of products under this Agreement, and who offers to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of those products as well as the fulfilment of the other requirements of this Protocol, to make out invoice declarations irrespective of the value of the products concerned.
2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.
4. The customs authorities shall monitor the use of the authorisation by the approved exporter.
5. The customs authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

Article 24
Validity of proof of origin
1. A movement certificate EUR.1 shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country. An invoice declaration shall be valid for four months from the date it was made out by the exporter and must be submitted within the said period to the customs authorities of the importing country.
2. Movement certificates EUR.1 and invoice declarations which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to reasons of force majeure or exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing country may accept the movement certificates EUR.1 or invoice declarations where the products have been submitted to them before the said final date.

Article 25
Submission of proof of origin
Movement certificates EUR.1 and invoice declarations shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a movement certificate EUR.1 or an invoice declaration. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Agreement.
Article 26
Importation by instalments
Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of general rule 2(a) of the Harmonised System falling within Sections XVI and XVII or heading Nos 7308 and 9406 of the Harmonised System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 27
Exemptions from formal proof of origin
1. Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a formal proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Protocol and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration C2/CP3 or on a sheet of paper annexed to that document.
2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.
3. Furthermore, the total value of these products must not exceed ECU 500 in the case of small packages or ECU 1200 in the case of products forming part of travellers' personal luggage.

Article 28
Preservation of proof of origin and supporting documents
1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in Article 18(3).
2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 22(3).
3. The customs authorities of the exporting country issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 18(2).
4. The customs authorities of the importing country shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

Article 29
Discrepancies and formal errors
1. The discovery of slight discrepancies between the statements made in a movement certificate EUR.1, or in an invoice declaration, and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not ipso facto render the movement certificate EUR.1, or the invoice declaration, null
and void if it is duly established that this document does correspond to the products submitted.

2. Obvious formal errors such as typing errors on a movement certificate EUR.1, or an invoice declaration, should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Article 30
Amounts expressed in ecus
1. Amounts in the national currency of the exporting country equivalent to the amounts expressed in ecus shall be fixed by the exporting country and communicated to the other Parties.
When the amounts exceed the corresponding amounts fixed by the importing country, the latter shall accept them if the products are invoiced in the currency of the exporting country.
If the goods are invoiced in the currency of another Member State of the Community the importing State shall recognise the amount notified by the country concerned.
2. Up to and including 30 April 2000, the amounts to be used in any given national currency shall be the equivalent in that national currency of the amounts expressed in ecus as at 1 October 1994.
For each successive period of five years, the amounts expressed in ecus and their equivalents in the national currencies of the States shall be reviewed by the Association Council on the basis of the exchange rates of the ecu as at the first working day in October in the year immediately preceding that five-year period.
When carrying out this review, the Association Council shall ensure that there will be no decrease in the amounts to be used in any national currency and shall furthermore consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in ecus.

TITLE VI
ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION
Article 31
Communication of stamps and addresses
The customs authorities of the Member States and of Israel shall provide each other, through the Commission of the European Communities, with specimen impressions of stamps used in their customs offices for the issue of EUR.1 certificates and with the addresses of the customs authorities responsible for issuing movement certificates EUR.1 and for verifying those certificates and invoice declarations.

Article 32
Verification of proof of origin
1. Subsequent verification of movement certificates EUR.1 and of invoice declarations shall be carried out at random or whenever the customs authorities of the importing State have reasonable doubt as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR.1, and the invoice, if it has been submitted, or the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons of substance or form for an inquiry. They shall forward, in support of the request for subsequent verification, any documents and information that have been obtained suggesting that the information given on the movement certificate EUR.1 or the invoice declaration is incorrect.

3. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check which they consider appropriate.

4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, they shall offer to release the products to the importer subject to any precautionary measures judged necessary.

5. The customs authorities requesting the verification shall be informed of the results of this verification within a maximum period of 10 months. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as originating products and fulfil the other requirements of this Protocol. Where the cumulation provisions of Article 3(2) and Article 18(4) were applied, the reply shall include a copy (copies) of the movement certificate(s) or invoice declaration(s) relied upon.

6. If in cases of reasonable doubt there is no reply within 10 months or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in the case of force majeure or in exceptional circumstances, refuse entitlement to the preferences.

Article 33
Dispute settlement
Where disputes arise in relation to the verification procedures of Article 32 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Customs Cooperation Committee. In all cases the settlement of disputes between the importer and the customs authorities of the importing State shall be under the legislation of the said State.

Article 34
Penalties
Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.
Article 35
Free zones
1. The Member States and Israel shall take all necessary steps to ensure that products traded under cover of a movement certificate EUR.1, which in the course of transport use a free zone situated in their territory, are not substituted by other goods and that they do not undergo handling other than normal operations designed to prevent their deterioration.
2. By means of an exemption to the provisions contained in paragraph 1, when products originating in the Community or in Israel are imported into a free zone under cover of an EUR.1 certificate and undergo treatment or processing, the authorities concerned shall issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

TITLE VII
CEUTA AND MELILLA
Article 36
Application of the Protocol
1. The term "Community" used in this Protocol does not cover Ceuta or Melilla. The term "products originating in the Community" does not cover products originating in these zones.
2. This Protocol shall apply mutatis mutandis to products originating in Ceuta and Melilla, subject to particular conditions set out in Article 37.

Article 37
Special conditions
1. The following provisions shall apply instead of Articles 2 and 3(1) and (2) and references to these Articles shall apply mutatis mutandis to this Article.
2. Provided they have been transported directly in accordance with the provisions of Article 14, the following shall be considered as:
   (1) products originating in Ceuta and Melilla:
       (a) products wholly obtained in Ceuta and Melilla;
       (b) products obtained in Ceuta and Melilla in the manufacture of which products other than those referred to in (a) are used, provided that:
           (i) the said products have undergone sufficient working or processing within the meaning of Article 5 of this Protocol; or that
           (ii) those products are originating in the Community or Israel within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 6.
   (2) products originating in Israel:
       (a) products wholly obtained in Israel;
       (b) products obtained in Israel, in the manufacture of which products other than those referred to in (a) are used, provided that:
           (i) the said products have undergone sufficient working or processing within the meaning of Article 5 of this Protocol; or that
           (ii) those products are originating in Ceuta and Melilla or the Community within the meaning of this Protocol, provided that they have been
submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 6.
3. Ceuta and Melilla shall be considered as a single territory.
4. The exporter or his authorised representative shall enter "Israel" and "Ceuta and Melilla" in box 2 of movement certificates EUR.1. In addition, in the case of products originating in Ceuta and Melilla, this shall be indicated in box 4 of movement certificates EUR.1.
5. The Spanish customs authorities shall be responsible for the application of this Protocol in Ceuta and Melilla.

TITLE VIII
FINAL PROVISIONS
Article 38
Amendments to the Protocol
The Association Council may decide to amend the provisions of this Protocol.

Article 39
Customs Cooperation Committee
1. A Customs Cooperation Committee shall be set up, charged with carrying out administrative cooperation with a view to the correct and uniform application of this Protocol and with carrying out any other task in the customs field which may be entrusted to it.
2. The Committee shall be composed, on the one hand, of experts of the Member States and of officials of the department of the Commission of the European Communities who are responsible for customs questions and, on the other hand, of experts nominated by Israel.

Article 40
Annexes
The Annexes to this Protocol shall form an integral part thereof.

Article 41
Implementation of the Protocol
The Community and Israel shall each take the steps necessary to implement this Protocol.

Article 42
Goods in transit or storage
The provisions of the Agreement may be applied to goods which comply with the provisions of this Protocol and which on the date of entry into force of the Agreement are either in transit or are in the Community or in Israel in temporary storage, in bonded warehouses or in free zones, subject to the submission to the customs authorities of the importing State, within four months of that date, of a certificate EUR.1 endorsed retrospectively by the competent authorities of the exporting State together with the documents showing that the goods have been transported directly.
ANNEX I

INTRODUCTORY NOTES
Preliminary remarks
The rules established in the present list are only applicable to products covered by the Agreement.
Note 1
1.1. The first two columns in the list describe the product obtained. The first column gives the heading number, or chapter number, used in the Harmonised System and the second column gives the description of goods used in that system for that heading or chapter. For each entry in the first two columns a rule is specified in columns 3 or 4. Where, in some cases, the entry in the first column is preceded by an "ex", this signifies that the rule in columns 3 or 4 only applies to the part of that heading or chapter as described in column 2.
1.2. Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of product in column 2 is therefore given in general terms, the adjacent rule in columns 3 or 4 applies to all products which, under the Harmonised System, are classified within headings of the chapter or within any of the headings grouped together in column 1.
1.3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rules in column 3 or 4.
1.4. Where, for any entry in the first two columns, a rule is specified in both columns 3 and 4, the exporter may opt, as an alternative, to apply either the rule set out in column 3 or that set out in column 4. If no origin rule is given in column 4, the rule set out in column 3 has to be applied.
Note 2
2.1. The working or processing required by a rule in column 3 has to be carried out only in relation to the non-originating materials used. The restrictions contained in a rule in column 3 likewise apply only to the non-originating materials used.
2.2. Where a rule states that "materials of any heading" may be used, materials of the same heading as the product may also be used, subject, however, to any specific limitations which may also be contained in the rule. However, the expression "manufacture from materials of any heading, including other materials of heading No."
2.3. If a product made from non-originating materials which has acquired originating status during manufacture by virtue of the change of heading rule or its own list rule is used as a material in the process of manufacture of another product, then the rule applicable to the product in which it is incorporated does not apply to it.
For example:
An engine of heading No 8407, for which the rule states that the value of the non-originating materials which may be incorporated may not exceed
40% of the ex-works price, is made from "other alloy steel roughly shaped by forging" of heading No 7224.

If this forging has been forged in the country concerned from a non-originating ingot then the forging has already acquired origin by virtue of the rule for heading No ex 7224 in the list. It can then count as originating in the value calculation for the engine regardless of whether it was produced in the same factory or another. The value of the non-originating ingot is thus not taken into account when adding up the value of the non-originating materials used.

2.4. The rule in the list represents the minimum amount of working or processing required and the carrying out of more working or processing also confers originating status; conversely, the carrying out of less working or processing cannot confer origin. Thus if a rule says that non-originating material at a certain level of manufacture may be used, the use of such material at an earlier stage of manufacture is allowed and the use of such material at a later stage is not.

2.5. When a rule in the list specifies that a product may be manufactured from more than one material, this means that any one or more materials may be used. It does not require that all be used.

Example:
The rule for fabrics of ex Chapter 50 to Chapter 55 provides that natural fibres may be used and that chemical materials, among other materials, may also be used. This does not mean that both have to be used; it is possible to use one or the other or both.

2.6. Where a rule in the list specifies that a product must be manufactured from a particular material, the condition obviously does not prevent the use of other materials which, because of their inherent nature, cannot satisfy the rule. (See also note 5.2 below in relation to textiles.)

Example:
The rule for prepared food of heading No 1904 which specifically excludes the use of cereals or their derivatives does not prevent the use of mineral salts, chemicals and other additives which are not produced from cereals. However, this does not apply to products which, although they cannot be manufactured from the particular material specified in the list, can be produced from a material of the same nature at an earlier stage of manufacture.

Example:
In the case of an article of apparel of ex Chapter 62 made from non-woven materials, if the use of only non-originating yarn is allowed for this class of article, it is not possible to start from non-woven cloth - even if non-woven cloths cannot normally be made from yarn. In such cases, the starting material would normally be at the stage before yarn - that is the fibre stage.

2.7. Where in a rule in the list two or more percentages are given for the maximum value of non-originating materials that can be used, then these percentages may not be added together. In other words, the maximum value of all the non-originating materials used may never exceed the highest of the percentages given. Furthermore, the individual percentages must not be exceeded in relation to the particular materials they apply to.

Note 3
3.1. The term "natural fibres" is used in the list to refer to fibres other than artificial or synthetic fibres and is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, the term "natural fibres" includes fibres that have been carded, combed or otherwise processed but not spun.

3.2. The term "natural fibres" includes horsehair of heading No 0503, silk of heading Nos 5002 and 5003 as well as the wool fibres, fine or coarse animal hair of heading Nos 5101 to 5105, the cotton fibres of heading Nos 5201 to 5203 and the other vegetable fibres of heading Nos 5301 to 5305.

3.3. The terms "textile pulp", "chemical materials" and "paper-making materials" are used in the list to describe the materials not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

3.4. The term "man-made staple fibres" is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings Nos 5501 to 5507.

Note 4
4.1. Where for a given product in the list a reference is made to this note, the conditions set out in column 3 shall not be applied to any basic textile materials used in the manufacture of this product, which, taken together, represent 10 % or less of the total weight of all the basic textile materials used (See also notes 4.3 and 4.4).

4.2. However, this tolerance may only be applied to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:
- silk
- wool
- coarse animal hair
- fine animal hair
- horsehair
- cotton
- paper-making materials and paper
- flax
- true hemp
- jute and other textile bast fibres
- sisal and other textile fibres of the genus Agave
- coconut, abaca, ramie and other vegetable textile fibres
- synthetic man-made filaments
- artificial man-made filaments
- synthetic man-made staple fibres
- artificial man-made staple fibres.

Example:
A yarn of heading No 5205 made from cotton fibres of heading No 5203 and synthetic staple fibres of heading No 5506 is a mixed yarn. Therefore, non-originating synthetic staple fibres that do not satisfy the origin rules (which require manufacture from chemical materials or textile pulp) may be used up to a weight of 10 % of the yarn.

Example:
A woollen fabric of heading No 5112 made from woollen yarn of heading No 5107 and synthetic yarn of staple fibres of heading No 5509 is a mixed
fabric. Therefore synthetic yarn which does not satisfy the origin rules (which require manufacture from chemical materials or textile pulp) or woollen yarn that does not satisfy the origin rules (which require manufacture from natural fibres, not carded or combed or otherwise prepared for spinning) or a combination of the two may be used up to a weight of 10 % of the fabric.

Example:
Tufted textile fabric of heading No 5802 made from cotton yarn of heading No 5205 and cotton fabric of heading No 5210 is only a mixed product if the cotton fabric is itself a mixed fabric being made from yarns classified in two separate headings or if the cotton yarns used are themselves mixtures.

Example:
If the tufted textile fabric concerned had been made from cotton yarn of heading No 5205 and synthetic fabric of heading No 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is accordingly a mixed product.

Example:
A carpet with tufts made from both artificial yarns and cotton yarns and with a jute backing is a mixed product because three basic textile materials are used. Thus, any non-originating materials that are at a later stage of manufacture than the rule allows may be used, provided their total weight taken together does not exceed 10 % of the weight of the textile materials in the carpet. Thus, both the jute backing and/or the artificial yarns could be imported at that stage of manufacture, provided the weight conditions are met.

4.3. In the case of fabrics incorporating "yarn made of polyurethane segmented with flexible segments of polyether whether or not gimped" this tolerance is 20 % in respect of this yarn.

4.4. In the case of fabrics incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of an adhesive between two films of plastic film, this tolerance is 30 % in respect of this strip.

Note 5
5.1. In the case of those textile products which are marked in the list by a footnote referring to this note, textile materials with the exception of linings and interlinings which do not satisfy the rule set out in the list in column 3 for the made-up products concerned may be used provided that they are classified in a heading other than that of the product and that their value does not exceed 8 % of the ex-works price of the product.

5.2. Materials which are not classified within Chapters 50 to 63 may be used freely, whether or not they contain textiles.

Example:
If a rule in the list provides that for a particular textile item, such as trousers, yarn must be used, this does not prevent the use of metal items, such as buttons, because buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide-fasteners even though slide-fasteners normally contain textiles.

5.3. Where a percentage rule applies, the value of materials which are not
classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating materials incorporated.

Note 6

6.1. For the purposes of heading Nos ex 2707, 2713 to 2715, ex 2901, ex 2902 and ex 3403, the "specific processes" are the following:
(a) vacuum distillation;
(b) redistillation by a very thorough fractionation process;
(c) cracking;
(d) reforming;
(e) extraction by means of selective solvents;
(f) the process comprising all the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolorisation and purification with naturally active earth, activated earth, activated charcoal or bauxite;
(g) polymerisation;
(h) alkylation;
(i) isomerisation.

6.2. For the purposes of heading Nos 2710, 2711 and 2712, the "specific processes" are the following:
(a) vacuum distillation;
(b) redistillation by a very thorough fractionation process;
(c) cracking;
(d) reforming;
(e) extraction by means of selective solvents;
(f) the process comprising all the following operations: processing with concentrated sulphuric acid (oleum) or sulphuric anhydride; neutralisation with alkaline agents; decolorisation and purification with naturally active earth, activated earth, activated charcoal or bauxite;
(g) polymerisation;
(h) alkylation;
(i) isomerisation;
(k) (in respect of heavy oils falling within heading No ex 2710 only) desulphurisation with hydrogen resulting in a reduction of at least 85 % of the sulphur content of the products processed (ASTM D 1266-59 T method);
(l) (in respect of products falling within heading No 2710 only) deparaffining by a process other than filtering;
(m) (in respect of heavy oils falling within heading No ex 2710 only) treatment with hydrogen at a pressure of more than 20 bar and a temperature of more than 250 °C with the use of a catalyst, other than to effect desulphurisation, when the hydrogen constitutes an active element in a chemical reaction. The further treatment with hydrogen of lubricating oils of heading No ex 2710 (e.g. hydrofinishing or decolorisation) in order, more especially, to improve colour or stability shall not, however, be deemed to be a specific process;
(n) (in respect of fuel oils falling within heading No ex 2710 only) atmospheric distillation, on condition that less than 30 % of these products distils, by volume, including losses, at 300 °C by the ASTM D 86 method;
(o) (in respect of heavy oils other than gas oils and fuel oils falling within heading No ex 2710 only) treatment by means of a high-frequency
electrical brush-discharge.
6. For the purposes of heading Nos ex 2707, 2713 to 2715, ex 2901, ex 2902 and ex 3403, simple operations such as cleaning, decanting, desalting, water separation, filtering, colouring, marking obtaining a sulphur content as a result of mixing products with different sulphur contents, any combination of these operations or like operations do not confer origin.

(1) See additional explanatory note 4(b) to Chapter 27 of the Combined Nomenclature.

ANNEX II

LIST OF WORKING OR PROCESSING REQUIRED TO BE CARRIED OUT ON NON-ORIGINATING MATERIALS IN ORDER THAT THE PRODUCT MANUFACTURED CAN OBTAIN ORIGINATING STATUS

ANNEX III

EUR.1 MOVEMENT CERTIFICATES

1. EUR.1 movement certificates shall be made out on the form of which a specimen appears in this Annex. This form shall be printed in one or more of the languages in which the Agreement is drawn up. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting State. If they are handwritten, they shall be completed in ink and in capital letters.
2. Each certificate shall measure 210 × 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m2. It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
3. The competent authorities of the Member States of the Community and of Morocco may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

ANNEX IV
PROTOCOL 5
on mutual assistance between administrative authorities in customs matters

Article 1
Definitions
For the purposes of this Protocol:
(a) "customs legislation" shall mean provisions adopted by the Parties and governing the import, export, transit of goods and their placing under any customs procedure, including measures of prohibition, restriction and control;
(b) "customs duties" shall mean all duties, taxes, fees or other charges which are levied and collected in the territories of the Parties, in application of customs legislation, but not including fees and charges which are limited in amount to the approximate costs of services rendered;
(c) "applicant authority" shall mean a competent administrative authority which has been appointed by a Party for this purpose and which makes a request for assistance in customs matters;
(d) "requested authority" shall mean a competent administrative authority which has been appointed by a Party for this purpose and which receives a request for assistance in customs matters;
(e) "personal data" shall mean all information relating to an identified or identifiable individual.

Article 2
Scope
1. The Parties shall assist each other, within their competences, in the manner and under the conditions laid down in this Protocol, in ensuring that customs legislation is correctly applied, in particular by the prevention, detection and investigation of operations in breach of that legislation.
2. Assistance in customs matters, as provided for in this Protocol, shall apply to any administrative authority of the Parties which is competent for the application of this Protocol. It shall not prejudice the rules governing mutual assistance in criminal matters. Nor shall it cover information obtained under powers exercised at the request of the judicial authorities, unless those authorities so agree.

Article 3
Assistance on request
1. At the request of the applicant authority, the requested authority shall furnish it with all relevant information which may enable it to ensure that customs legislation is correctly applied, including information regarding operations noted or planned which are or could be in breach of such legislation.
2. At the request of the applicant authority, the requested authority shall
inform it whether goods exported from the territory of one of the Parties have been properly imported into the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods.

3. At the request of the applicant authority, the requested authority shall take the necessary steps to ensure that a special watch is kept on:
(a) natural or legal persons of whom there are reasonable grounds for believing that they are breaching or have breached customs legislation;
(b) places where goods are stored in a way that gives grounds for suspecting that they are intended to supply operations contrary to customs legislation;
(c) movements of goods notified as possibly giving rise to breaches of customs legislation;
(d) means of transport for which there are reasonable grounds for believing that they have been, are or may be used in operations in breach of customs legislation.

Article 4
Spontaneous assistance
The Parties shall provide each other, in accordance with their laws, rules and other legal instruments, with assistance if they consider that to be necessary for the correct application of customs legislation, particularly when they obtain information pertaining to:
- operations which constitute, or appear to them to constitute breaches of such legislation and which may be of interest to other Parties,
- new means or methods employed in realising such operations,
- goods known to be subject to breaches of customs legislation.

Article 5
Delivery/notification
At the request of the applicant authority, the requested authority shall in accordance with its legislation take all necessary measures in order:
- to deliver all documents,
- to notify all decisions,
falling within the scope of this Protocol to an addressee, residing or established in its territory. In such a case Article 6(3) shall apply.

Article 6
Form and substance of requests for assistance
1. Requests pursuant to this Protocol shall be made in writing. Documents necessary for the execution of such requests shall accompany the request. When required because of the urgency of the situation, oral requests may be accepted, but must be confirmed in writing immediately.
2. Requests pursuant to paragraph 1 shall include the following information:
(a) the applicant authority making the request;
(b) the actions to be undertaken;
(c) the object of and the reason for the request;
(d) the laws, rules and other legal elements involved;
(e) indications as exact and comprehensive as possible on the natural or legal persons being the target of the investigations;
(f) a summary of the relevant facts and of the enquiries already carried out, except in cases provided for in Article 5.
3. Requests shall be submitted in an official language of the requested authority or in a language acceptable to such authority.
4. If a request does not meet the formal requirements, its correction or completion may be demanded; the ordering of precautionary measures may, however, take place.

Article 7
Execution of requests
1. In order to comply with a request for assistance, the requested authority or, when the latter cannot act on its own, the administrative department to which the request has been addressed by this authority, shall proceed, within its competence and available resources, as though it were acting on its own account or at the request of other authorities of that same Party, by supplying information already possessed, by carrying out appropriate enquiries or by arranging for them to be carried out.
2. Requests for assistance will be executed in accordance with the laws, rules and other legal instruments of the requested Party.
3. Officials of the requesting Party, authorised to investigate breaches of customs legislation may, in particular cases and with the agreement of the requested Party, be present respectively in the Community or in Israel, when its officials are investigating breaches which are of concern to the requesting Party and may ask that the requested Party review relevant books, registers and other documents or data-media and supply copies thereof or provide any information relating to the breach.

Article 8
Form in which information is to be communicated
1. The requested authority shall communicate results of enquiries to the applicant authority in the form of documents, certified copies of documents, reports and the like.
2. The documents provided for in paragraph 1 may be replaced by computerised information produced in any form for the same purpose.

Article 9
Exceptions to the obligation to provide assistance
1. The Parties may refuse to give assistance as provided for in this Protocol, where to do so would:
   (a) be likely to prejudice the sovereignty of a Member State of the Community or of Israel which has been asked for assistance under this Protocol; or
   (b) be likely to prejudice public policy, security or other essential interests; or
   (c) involve currency or tax regulations other than regulations concerning customs duties; or
   (d) violate an industrial, commercial or professional secret.
2. Where the applicant authority asks for assistance which it would itself be unable to provide if so asked, it shall draw attention to that fact in its request. It shall then be left to the requested authority to decide how to
respond to such a request.
3. If assistance is withheld or denied, the decision and the reasons therefore must be notified to the applicant authority without delay.

Article 10
Obligation to observe confidentiality
1. Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential nature. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended to like information under the relevant laws of the Party which received it and the corresponding provisions applying to the Community authorities.
2. Personal data may only be transmitted if the level of personal protection afforded by the legislations of the Parties is equivalent. The Parties shall ensure at least a level of protection based on the principles of Council of Europe Convention No 108 of 28 January 1981 for the Protection of Individuals with regard to Automatic Processing of Personal Data.

Article 11
Use of information
1. Information obtained shall be used solely for the purposes of this Protocol and may be used within each Party for other purposes only with the prior written consent of the administrative authority which furnished the information and shall be subject to any restrictions laid down by that authority.
2. Paragraph 1 shall not impede the use of information in any judicial or administrative proceedings subsequently instituted for failure to comply with customs legislation.
3. The Parties may, in their records of evidence, reports and testimonies and in proceedings and charges brought before the courts, use as evidence information obtained and documents consulted in accordance with the provisions of this Protocol.

Article 12
Experts and witnesses
An official of a requested authority may be authorised to appear, within the limitations of the authorisation granted, as expert or witness in judicial or administrative proceedings regarding the matters covered by this Protocol in the jurisdiction of another Party, and produce such objects, documents or authenticated copies thereof, as may be needed for the proceedings. The request for an appearance must indicate specifically on what matters and by virtue of what title or qualification the official will be questioned.

Article 13
Assistance expenses
The Parties shall waive all claims on each other for the reimbursement of expenses incurred pursuant to this Protocol, except, as appropriate, for expenses to experts and witnesses and to interpreters and translators who are not public service employees.

Article 14
Implementation
1. The application of this Protocol shall be entrusted to the competent services of the Commission of the European Communities and, where appropriate, the customs authorities of the Member States of the Community on the one hand and to the central customs authorities of Israel on the other hand. They shall decide on all practical measures and arrangements necessary for its application, taking into consideration rules in the field of data protection. They may recommend to the competent bodies amendments which they consider be made to this Protocol.
2. The Parties shall consult each other and subsequently keep each other informed of the detailed rules of implementation which are adopted in accordance with the provisions of this Protocol.

Article 15
Complementarity
1. This Protocol shall complement and not impede the application of any agreements on mutual assistance which have been concluded or may be concluded between individual or several Member States of the Community and Israel. Nor shall it preclude more extensive mutual assistance granted under such agreements.
2. Without prejudice to Article 11, these agreements do not prejudice Community provisions governing the communication between the competent services of the Commission and the customs authorities of the Member States of any information obtained in customs matters which could be of Community interest.

Final Act

The plenipotentiaries of:
THE KINGDOM OF BELGIUM,
THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
IRELAND,
THE ITALIAN REPUBLIC,
THE GRAND DUCHY OF LUXEMBOURG,
THE KINGDOM OF THE NETHERLANDS,
THE REPUBLIC OF AUSTRIA,
THE PORTUGUESE REPUBLIC,
THE REPUBLIC OF FINLAND,
THE KINGDOM OF SWEDEN,
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,
Contracting Parties to the Treaty establishing the European Community and the Treaty establishing the European Coal and Steel Community,
hereinafter referred to as "the Member States", and of the EUROPEAN COMMUNITY and the EUROPEAN COAL AND STEEL COMMUNITY, hereinafter referred to as "the Community", of the one part,
and the plenipotentiary of the STATE OF ISRAEL hereinafter referred to as "Israel", of the other part,
meeting at Brussels on the twentieth day of November in the year one thousand nine hundred and ninety-five for the signature of the Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, have adopted the following texts: the Euro-Mediterranean Agreement, the Annexes thereto and the following Protocols: the Joint Declarations listed below and annexed to this Final Act:
Joint Declaration relating to Article 2 of the Agreement,
Joint Declaration relating to Article 5 of the Agreement,
Joint Declaration relating to Article 6(2) of the Agreement,
Joint Declaration relating to Article 9(2) of the Agreement,
Joint Declaration relating to Article 39 of and Annex VII to the Agreement,
Joint Declaration relating to Title VI of the Agreement,
Joint Declaration relating to Article 44 of the Agreement,
Joint Declaration on decentralised cooperation
Joint Declaration relating to Article 68 of the Agreement,
Joint Declaration relating to Article 74 of the Agreement,
Joint Declaration relating to Article 75 of the Agreement,
Joint Declaration on public procurement,
Joint Declaration on veterinary matters,
Joint Declaration relating to Protocol 4 of the Agreement,
Joint Declaration on advance implementation.
The plenipotentiaries of the Member States and of the Community and the plenipotentiary of Israel have also taken note of the following Exchanges of Letters annexed to this Final Act:
Agreement in the form of an Exchange of Letters concerning outstanding bilateral issues,
Agreement in the form of an Exchange of letters relating to Protocol 1 and concerning imports into the Community of fresh cut flowers and flower buds falling within subheading 060310 of the Common Customs Tariff,
Agreement in the form of an Exchange of Letters regarding the implementation of the Uruguay Round Agreements.
The plenipotentiary of Israel has taken note of the Declarations by the European Community mentioned below and annexed to this Final Act:
Declaration relating to Article 28 of the Agreement on cumulation of origin,
Declaration relating to Article 28 of the Agreement on adaptation of rules
of origin,
Declaration relating to Article 36 of the Agreement,
Declaration relating to Title VI of the Agreement on economic cooperation.
The plenipotentiaries of the Member States and of the Community have taken note of the Declaration by Israel mentioned below and annexed to this Final Act:
Declaration relating to Article 65 of the Agreement.

Hecho en Bruselas, el veinte de noviembre de mil novecientos noventa y cinco.
Udfærdiget i Bruxelles, den tyvende november nitten hundrede og femoghalvfems.
Geschehen zu Brüssel am zwanzigsten November neunzehnhundertfünfundneunzig.
Done at Brussels on the twentieth day of November in the year one thousand, nine hundred and ninety-five.

Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.
Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franstalige Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brusselse Hoofdstedelijke Gewest. Diese Unterschrift verbindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

På Kongeriget Danmarks vegne

Für die Bundesrepublik Deutschland
JOINT DECLARATIONS
Joint Declaration relating to Article 2
The Parties reaffirm the importance they attach to the respect of human rights as set out in the UN Charter including the struggle against xenophobia, anti-Semitism and racism.

Joint Declaration relating to Article 5
It may be agreed that meetings of experts on particular subjects should take place.

Joint Declaration relating to Article 6(2)
In case of changes in the nomenclature used for the classification of agricultural goods or non-Annex II processed agricultural products, the Parties agree to hold consultations in order to agree the adaptations which would appear necessary to maintain the existing concessions.

Joint Declaration relating to Article 9(2)
With a view to ensuring the smooth application of the prior notification, provided for in Article 9(2) of the Agreement, Israel shall transmit to the Commission, within an appropriate period before adoption, in an informal and confidential manner, the elements of the calculation of the agricultural component to be applied. The Commission shall inform Israel of its assessment within a period of 10 working days.

Joint Declaration relating to Article 39 and Annex VII
For the purpose of this Agreement, intellectual, industrial and commercial property includes in particular copyright, including the copyright in computer programs, and neighbouring rights, patents, industrial designs, geographical indications, including appellations of origin, trade marks and service marks, topographies of integrated circuits, as well as protection against unfair competition as referred to in Article 10a of the Paris Convention for the Protection of Industrial Property (Stockholm Act, 1967) and protection of undisclosed information on "know-how". It is understood that in the translation of the Agreement into Hebrew the expression "intellectual, industrial and commercial property" will be translated into the Hebrew term corresponding to "intellectual property".

Joint Declaration relating to Title VI
Each Party shall be responsible for bearing the financial costs of its share of participation in activities undertaken in the context of economic cooperation, to be decided on a case-by-case basis.

Joint Declaration relating to Article 44
The Parties reaffirm their commitment to the Middle East peace process and their belief that peace should be consolidated through regional cooperation. The Community is prepared to support joint development projects submitted by Israel and its neighbours, subject to relevant Community technical and budgetary procedures.

Joint Declaration on decentralised cooperation
The Parties reaffirm the importance they attach to decentralised cooperation programmes as a means of encouraging the exchange of experience and transfer of knowledge in the Mediterranean region and between the European Community and its Mediterranean partners.

Joint Declaration relating to Article 68
The Association Council's rules of procedure will provide for the possibility of decisions to be adopted by written procedure.
Joint Declaration relating to Article 74
The Parties note that the Economic and Social Committee of the Community and the Israeli Economic and Social Council may intensify their relations by means of annual dialogue and mutual cooperation.

Joint Declaration relating to Article 75
When the arbitration procedure is applied, the Parties will endeavour to ensure that the Association Council appoints the third arbitrator within two months of the appointment of the second arbitrator.

Joint Declaration on public procurement
The Parties will open formal negotiations in a number of areas to open their respective government procurement markets beyond what has been mutually agreed under the Government Procurement Agreement concluded in the framework of the WTO, hereinafter referred to as GPA. These negotiations should be undertaken in such a way that an agreement will be reached before the end of 1995.
The Parties agree that these negotiations will cover, inter alia, the procurement of:
- goods, works and services by entities operating in the telecommunications and urban transport sector (with the exception of buses),
- services purchased by GPA covered entities, in order to expand mutual commitments under Annex 4 of Appendix I of the GPA.
The Parties shall undertake to refrain from introducing additional discriminatory measures against suppliers of the other Party in the fields of heavy electrical and medical equipment beyond the provisions already agreed in the GPA and they shall seek to avoid introducing discriminatory measures which distort open procurement.
The Parties shall periodically review the implementation of their agreement on government procurement with a view to further negotiations aimed at an expansion of mutual coverage.
In addition the Parties will actively support the liberalisation of telecommunications service markets and will participate in the multilateral GATS negotiating group on basic telecommunications.

Joint Declaration on veterinary matters
The Parties shall seek to apply their rules on veterinary matters in a non-discriminatory manner and not to introduce any new measures that have the effect of unduly obstructing trade.

Joint Declaration relating to Protocol 4
The Community and Israel agree that working or processing carried out outside the Parties shall be effected by means of outward processing or a similar system.

Joint Declaration on advance implementation
The Parties express their intention to effect advance implementation of the provisions of the Agreement concerning trade and concerning customs cooperation by means of an interim Agreement to enter into force, if possible, by 1 January 1996.

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS
between the Community and Israel concerning outstanding bilateral issues
A. Letter from the Community
Sir,
The Community and Israel note the agreement reached on implementing an acceptable solution to all bilateral issues still outstanding concerning the application of the Cooperation Agreement of 1975. I should be obliged if you would confirm that your Government is in agreement with the contents of this letter. Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Union

B. Letter from Israel
Sir,
I have the honour to acknowledge receipt of your letter of today's date which reads as follows: "The Community and Israel note the agreement reached on implementing an acceptable solution to all bilateral issues still outstanding concerning the application of the Cooperation Agreement of 1975. I should be obliged if you would confirm that your Government is in agreement with the contents of this letter." I have the honour to confirm that my Government is in agreement with the contents of your letter. Please accept, Sir, the assurance of my highest consideration.

For the Government of Israel

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS between the Community and Israel relating to Protocol 1 and concerning imports into the Community of fresh cut flowers and flower buds falling within subheading 060310 of the Common Customs Tariff

A. Letter from the Community
Sir,
The following was agreed between the Community and Israel: Protocol 1 provides for the elimination of customs duties on imports into the Community of cut flowers and flower buds, fresh, falling within subheading 060310 of the Common Customs Tariff and originating in Israel, subject to a limit of 19500 tonnes. Israel undertakes to abide by the conditions laid down below for imports into the Community of roses and carnations which qualify for the elimination of this tariff:
- the price level of imports into the Community must be at least equal to 85% of the Community price level for the same products over the same periods,
- the Israeli price level shall be determined by recording the prices of the imported products, on representative Community import markets,
- the Community price level shall be based on the producer prices recorded on representative markets of the main producer Member States,
- price levels will be recorded on a fortnightly basis and weighted by the respective quantities. This provision is valid for Community prices and for Israeli prices,
- for both Community producer prices and the import prices of Israeli products, a distinction shall be made between large-flowered and small-flowered roses and between unifloral and multifloral carnations,
- if the Israeli price level for any one type of product is below 85% of the Community price level, the tariff preference shall be suspended. The Community shall reinstate the tariff preference when an Israeli price level equal to 85% or more of the Community price level is recorded. Israel further undertakes to maintain the traditional breakdown of trade between roses and carnations.
Should the Community market be disturbed by a change in this breakdown, the Community reserves the right to determine the proportions in line with traditional trade patterns. In such cases, an appropriate exchange of views could take place.
I should be obliged if you would confirm that your Government is in agreement with the contents of this letter.
Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Union

B. Letter from Israel

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:
"The following was agreed between the Community and Israel:
Protocol 1 provides for the elimination of customs duties on imports into the Community of cut flowers and flower buds, fresh, falling within subheading 060310 of the Common Customs Tariff and originating in Israel, subject to a limit of 19500 tonnes.
Israel undertakes to abide by the conditions laid down below for imports into the Community of roses and carnations which qualify for the elimination of this tariff:
- the price level of imports into the Community must be at least equal to 85% of the Community price level for the same products over the same periods,
- the Israeli price level shall be determined by recording the prices of the imported products, on representative Community import markets,
- the Community price level shall be based on the producer prices recorded on representative markets of the main producer Member States,
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- for both Community producer prices and the import prices of Israeli products, a distinction shall be made between large-flowered and small-flowered roses and between unifloral and multifloral carnations,
- if the Israeli price level for any one type of product is below 85% of the
Community price level, the tariff preference shall be suspended. The Community shall reinstate the tariff preference when an Israeli price level equal to 85% or more of the Community price level is recorded. Israel further undertakes to maintain the traditional breakdown of trade between roses and carnations.

Should the Community market be disturbed by a change in this breakdown, the Community reserves the right to determine the proportions in line with traditional trade patterns. In such cases, an appropriate exchange of views could take place.

I should be obliged if you would confirm that your Government is in agreement with the contents of this letter."

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of Israel

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS between the Community and Israel regarding the implementation of the Uruguay Round Agreements

A. Letter from the Community

Sir,

The Agreement reached between the European Community and Israel does not contain any provisions regarding the new regime applied on the import of oranges into the Community. The Parties will continue negotiations on this matter in order to find a solution before the beginning of the marketing year 1995/1996, i.e. 1 December. In this context, the Community has agreed that Israel will not be treated less favourably than other Mediterranean partners.

By 1 December 1995, if an accord has not been reached regarding the entry price for oranges, the Community will take all necessary measures to guarantee to Israel an adequate and acceptable entry price for both Parties, which will enable the importation of 200000 tonnes of oranges from Israel, a figure which will imply a reduction of 30% from the actual tariff quota for oranges from Israel.

In addition, the Community will adopt the appropriate measures to allow the import into the Community of traditional Israeli non-Annex II processed agricultural products covered by concessions in the new Agreement.

Similarly, if necessary, Israel will take parallel measures to ensure the import of traditional Community exports of agricultural products for the 1995/1996 season.

I should be grateful if you would kindly inform me whether the Government of Israel is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.
On behalf of the Council of the European Union

B. Letter from Israel

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"The Agreement reached between the European Community and Israel does not contain any provisions regarding the new regime applied on the import of oranges into the Community. The Parties will continue negotiations on this matter in order to find a solution before the beginning of the marketing year 1995/1996, i.e. 1 December. In this context, the Community has agreed that Israel will not be treated less favourably than other Mediterranean partners.

By 1 December 1995, if an accord has not been reached regarding the entry price for oranges, the Community will take all necessary measures to guarantee to Israel an adequate and acceptable entry price for both Parties, which will enable the importation of 200000 tonnes of oranges from Israel, a figure which will imply a reduction of 30% from the actual tariff quota for oranges from Israel.

In addition, the Community will adopt the appropriate measures to allow the import into the Community of traditional Israeli non-Annex II processed agricultural products covered by concessions in the new Agreement.

Similarly, if necessary, Israel will take parallel measures to ensure the import of traditional Community exports of agricultural products for the 1995/1996 season.

I should be grateful if you would kindly inform me whether the Government of Israel is in agreement with the contents of this letter."

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of Israel

DECLARATIONS BY THE EUROPEAN COMMUNITY

Declaration by the European Community on cumulation of origin (Article 28)

In line with political developments, if and when Israel and one or more other Mediterranean countries conclude Agreements to establish free trade among themselves, the European Community is prepared to implement cumulation of origin in its trade arrangements with those countries.

Declaration by the European Community on adaptation of rules of origin (Article 28)

In the framework of the ongoing process of harmonisation of rules of origin applicable between the Community and other third countries, the Community may in future submit to the Association Council the
amendments to Protocol 4 that may be necessary.

Declaration by the European Community relating to Article 36
The Community declares that, until the adoption by the Association Council of the implementing rules on fair competition referred to in Article 36(2), in the context of the interpretation of Article 36(1), it will assess any practice contrary to that Article on the basis of the criteria resulting from the rules contained in Articles 85, 86 and 92 of the Treaty establishing the European Community, and, for products covered by the Treaty establishing the European Coal and Steel Community, from those contained in Articles 65 and 66 of that Treaty and the Community rules on State aids, including secondary legislation.

As regards the agricultural products referred to in Title II Chapter 3, the Community will assess any practice contrary to paragraph 1(i) of Article 36 according to the criteria established by the Community on the basis of Articles 42 and 43 of the Treaty establishing the European Community and in particular those established in Council Regulation No 26 of 1962.

Declaration by the European Community on economic cooperation (Title VI)
Israel will remain eligible for funding from the Community budget for programmes of regional cooperation in the Mediterranean and other relevant horizontal budget lines. Israel will also remain eligible for European Investment Bank (EIB) loans granted under the horizontal Mediterranean facility.

DECLARATION BY ISRAEL

Declaration by Israel on Article 65
Israel states that, in the discussions leading to the Association Council's decision referred to in Article 65(1), it will raise the question of provisions to avoid double contribution in respect of workers of one Party resident in the territory of the other Party.

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