

No. 30370

MULTILATERAL

Agreement between the European Free Trade Association countries and Israel relating to trade (with annexes, protocols, declarations and record of understandings). Signed at Geneva on 17 September 1992

Authentic text: English.

Registered by Sweden on 8 October 1993.

MULTILATÉRAL

Accord entre les pays de l'Association européenne de libre-échange et Israël relatif au commerce (avec annexes, protocoles, déclarations et procès-verbal d'interprétation). Signé à Genève le 17 septembre 1992

Texte authentique : anglais.

Enregistré par la Suède le 8 octobre 1993.

AGREEMENT¹ BETWEEN THE EFTA STATES AND THE STATE OF ISRAEL

PREAMBLE

The Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden, the Swiss Confederation (hereinafter called the EFTA States) and the State of Israel (hereinafter called Israel),

Having regard to the Convention establishing the European Free Trade Association (EFTA),²

Having regard to the Free Trade Agreements and related instruments between Israel and its main trading partners,

Having regard to the co-operation developed in the light of the aforementioned agreements as well as between individual EFTA States and Israel,

Declaring their willingness to take action with a view to promoting a harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in fields of common interest, including fields not

covered by this Agreement, thus creating a framework and supportive environment based on equality and non-discrimination,

Recalling the mutual interest of the EFTA States and Israel to the continual reinforcement of the multilateral trading system and considering their capacity as Contracting Parties of the General Agreement on Tariffs and Trade,³ the provisions and instruments of which constitute a basis for their foreign trade policy,

Resolved to lay down for this purpose provisions aimed at a progressive abolition of the obstacles to trade between the EFTA States and Israel in accordance with the provisions of that Agreement, in particular those concerning the establishment of free trade areas,

Confirming the common desire for the progressive and sustained participation of the EFTA States and Israel in the process of economic integration,

¹ Came into force on 1 January 1993 for the signatory States which had deposited their instrument of ratification or acceptance with the Government of Sweden, including Israel, in accordance with article 33 (1):

<i>Participant</i>	<i>Date of deposit of the instrument of ratification</i>
Austria	30 December 1992
Finland	23 December 1992
Israel	28 December 1992
Norway	22 December 1992
Sweden	10 December 1992

Subsequently, the Agreement came into force for the following States on the first day of the second month following the deposit of their instrument of ratification with the Government of Sweden, in accordance with article 33 (2):

<i>Participant</i>	<i>Date of deposit of the instrument of ratification</i>
Switzerland	11 May 1993
(With effect from 1 July 1993.)	
Iceland	16 June 1993
(With effect from 1 August 1993.)	

In addition, the Agreement came into force provisionally on 1 January 1993 for Liechtenstein which had declared its provisional application, in accordance with article 33 (3).

² United Nations, *Treaty Series*, vol. 370, p. 3.

³ *Ibid.*, vol. 55, p. 187.

Considering that no provision of this Agreement may be interpreted as exempting the States Parties to this Agreement (hereinafter called the Parties) from their obligations under other international agreements,

HAVE DECIDED, in pursuance of these objectives, to conclude the following Agreement:

Article 1

Objectives

The objectives of this Agreement are:

- (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the EFTA States and Israel;
- (b) to provide fair conditions of competition for trade between the EFTA States and Israel;
- (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade;
- (d) to enhance co-operation between the EFTA States and Israel.

Article 2

Scope

1. The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System,¹ excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;

(c) to fish and other marine products as provided for in Annex II; origination in an EFTA State or in Israel.

2. The provisions concerning trade in agricultural products which are not covered by paragraph 1 are contained in Article 11.

3. This Agreement applies to trade relations between, on the one hand, each EFTA State and, on the other hand, Israel. It shall not apply to the trade relations between EFTA states, except if otherwise provided for in this Agreement.

Article 3

Rules of origin

1. Protocol B lays down the rules of origin and methods of administrative co-operation.

2. The Parties shall take appropriate measures, including regular reviews and arrangements regarding administrative co-operation, to ensure that the provisions of Articles 4 to 7, 12 and 21 are effectively and harmoniously applied, taking into account the need to reduce as far as possible the formalities imposed on trade and the need to achieve mutually satisfactory solutions to any difficulties arising out of the operation of those provisions.

Article 4

Customs duties on imports and charges having equivalent effect

1. No new customs duty on imports or any charge having equivalent effect shall be introduced in trade between the EFTA States and Israel.

¹ See "International Convention on the Harmonized Commodity Description and Coding System", United Nations, *Treaty Series*, vol. 1503, p. 3.

2. Upon the entry into force of this Agreement the EFTA States shall abolish all customs duties on imports and any charges having equivalent effect for products origination in Israel.

3. Upon the entry into force of this Agreement Israel shall abolish all customs duties on imports and any charges having equivalent effect for products origination in an EFTA State.

Article 5

Customs duties of a fiscal nature

1. The provisions of paragraphs 1 to 3 of Article 4 shall also apply to customs duties of a fiscal nature except as provided for in Protocol C.

2. The Parties may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.

Article 6

Customs duties on exports and charges having equivalent effect

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between the EFTA States and Israel.

2. Upon the entry into force of this Agreement customs duties on exports and any charges having equivalent effect shall be abolished, except as provided for in Annex III.

Article 7

Quantitative restrictions and measures having equivalent effect

1. No new quantitative restriction on imports or exports or measures having equivalent effect shall be introduced in trade between the EFTA States and Israel.

2. Upon the entry into force of this Agreement quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished except as provided for in Annex IV.

3. For the purpose of this Agreement “quantitative restrictions and measures having equivalent effect” means prohibitions or restrictions on imports or exports into an EFTA State from Israel or into Israel from an EFTA State made effective through quotas, import or export licences or other administrative measures and requirements restricting trade.

Article 8

Non-economic reasons for restrictions

This Agreement shall not 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 and of the environment; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of intellectual property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or disguised restriction on trade between an EFTA state and Israel.

Article 9

State monopolies

1. The Parties shall ensure that any state monopoly of a commercial character be adjusted so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the EFTA States and Israel.

2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties. These provisions shall likewise apply to monopolies delegated by the State to others.

Article 10

Technical regulations

1. The Parties recognize the important role of harmonized international standards and technical regulations in the development of trade.

2. They reconfirm their adherence to the GATT Agreement on Technical Barriers to Trade¹ and to its procedures.

3. The Parties may, within the framework of the Joint Committee, hold consultations in case that a Party considers that another Party did not fulfill its obligations in a satisfactory way, in particular if a Party considers that another Party has taken measures which are likely to create, or have created an obstacle to trade.

4. The Parties agree to start discussions on possibilities to co-operate more closely in the field of testing and certification as means to further facilitate trade.

Article 11

Trade in agricultural products

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.

2. In pursuance of this objective each individual EFTA State and Israel have concluded

a bilateral arrangement providing for measures to facilitate trade in agricultural products.

3. The Parties shall apply their regulations in veterinary, plant health and health matters in a nondiscriminatory fashion and shall not introduce any new measures that have the effect of unduly obstructing trade.

Article 12

Internal taxation

1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in an EFTA state and like products originating in Israel.

2. Products exported to the territory of one of the Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 13

Payments

1. Payments relating to trade between an EFTA State and Israel and the transfer of such payments to the territory of the Party where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short- and medium-term credits covering commercial transactions in which a resident participates.

3. Israel reserves the right to apply exchange restrictions connected with the granting or

¹United Nations, *Treaty Series*, vol. 1186, p. 276.