

FREE TRADE AGREEMENT BETWEEN THE STATE OF ISRAEL
AND THE REPUBLIC OF PANAMA

TABLE OF CONTENTS

PREAMBLE

CHAPTER 1 - INITIAL PROVISIONS AND GENERAL DEFINITIONS

CHAPTER 2 - NATIONAL TREATMENT AND MARKET ACCESS TO GOODS

**ANNEX 2-A: EXCEPTIONS TO NATIONAL TREATMENT AND
IMPORT AND EXPORT RESTRICTIONS**

SECTION A: MEASURES OF ISRAEL

SECTION B: MEASURES OF PANAMA

**ANNEX 2-B: SCHEDULE OF TARIFF ELIMINATION FOR
INDUSTRIAL GOODS**

**SECTION A: TARIFF ELIMINATION IN ISRAEL FOR THE
ORIGINATING GOODS OF PANAMA**

**SECTION B: TARIFF ELIMINATION IN PANAMA FOR THE
ORIGINATING GOODS OF ISRAEL**

ANNEX 2-C: PREFERENTIAL TREATMENT FOR FISHERY PRODUCTS

**SECTION A: PREFERENTIAL TREATMENT IN ISRAEL OF
ORIGINATING GOODS OF PANAMA**

**SECTION B: PREFERENTIAL TREATMENT IN PANAMA OF
ORIGINATING GOODS OF ISRAEL**

ANNEX 2-D: PREFERENTIAL TREATMENT FOR AGRICULTURAL GOODS

SECTION A: PREFERENTIAL TREATMENT IN ISRAEL FOR ORIGINATING GOODS OF PANAMA

SECTION B: PREFERENTIAL TREATMENT IN PANAMA FOR ORIGINATING GOODS OF ISRAEL

CHAPTER 3 - RULES OF ORIGIN

ANNEX 3-A: SPECIFIC RULES OF ORIGIN

ANNEX 3-B: CERTIFICATE OF ORIGIN

ANNEX 3-C: PROCEDURES REGARDING ELECTRONIC CERTIFICATES OF ORIGIN (ARTICLE 3.16)

ANNEX 3- D: INVOICE DECLARATION PURSUANT TO ARTICLE 3.20

ANNEX 3-E: APPROVED EXPORTER DECLARATION PURSUANT TO ARTICLE 3.21

CHAPTER 4 - CUSTOMS PROCEDURES AND TRADE FACILITATION

ANNEX 4-A: MUTUAL ASSISTANCE IN CUSTOMS MATTERS

CHAPTER 5 - SANITARY AND PHYTOSANITARY MEASURES

ANNEX 5-A: COMPETENT AUTHORITIES

CHAPTER 6 - TECHNICAL BARRIERS TO TRADE

CHAPTER 7 – TRADE REMEDIES

CHAPTER 8 - INVESTMENT

ANNEX 8 -A: PRESENTATION OF DOCUMENTS TO A PARTY REGARDING ARTICLE 8.12

CHAPTER 9 - COMMERCE OF SERVICES

ANNEX 9-A: LIST OF MFN EXEMPTIONS

SECTION A: ISRAEL - LIST OF MFN EXEMPTIONS

SECTION B: PANAMA - LIST OF MFN EXEMPTIONS

ANNEX 9-B: MOVEMENT OF NATURAL PERSONS SUPPLYING OF SERVICES

ANNEX 9-C: FINANCIAL SERVICES

ANNEX 9-D: TELECOMMUNICATION SERVICES

ANNEX 9-E: SCHEDULES OF SPECIFIC COMMITMENTS

SECTION A: ISRAEL - LIST OF SPECIFIC COMMITMENTS

SECTION B: PANAMA - LIST OF SPECIFIC COMMITMENTS

APPENDIX 9-E: MEASURES APPLIED TO RESERVED PROFESSIONAL SERVICES

CHAPTER 10 - ELECTRONIC COMMERCE

CHAPTER 11 - INTELLECTUAL PROPERTY RIGHTS

CHAPTER 12 - ADMINISTRATION OF AGREEMENT

CHAPTER 13 – TRADE AND ECONOMIC COOPERATION

CHAPTER 14 - DISPUTES SETTLEMENT

ANNEX 14 -A: RULES OF PROCEDURE FOR ARBITRAL TRIBUNAL PROCEEDING

ANNEX 14-B: CODE OF CONDUCT

CHAPTER 15 – TRANSPARENCY

CHAPTER 16 –EXCEPTIONS

CHAPTER 17 - FINAL PROVISIONS

PREAMBLE

The Government of the State of Israel (“Israel”) and the Government of the Republic of Panama (“Panama”), hereinafter referred to as “the Parties”, resolved to:

STRENGTHEN the special bonds of friendship and cooperation between them;

CONTRIBUTE to the harmonious development and expansion of world trade and provide a catalyst to broader international cooperation;

REDUCE obstacles to their bilateral trade;

STRENGTHEN their economic relations and to promote economic cooperation, in particular for the development of trade and investments;

PROMOTE the development of their trade with due regard to fair conditions of competition;

CREATE an expanded and secure market for their goods and services and establish clear and mutually advantageous rules in order to foster a predictable environment for their trade and investments;

EXPLORE the possibility of promoting the harmonious development of their trade as well as the expansion and diversification of their mutual cooperation in fields of common interest, including fields not covered by this Agreement;

REAFFIRM their membership in the World Trade Organization and their commitment to comply with their respective rights and obligations under the *Marrakesh Agreement Establishing the World Trade Organization* and other agreements to which they are both parties; and

HAVE AGREED, in pursuit of the above, to conclude the following Free Trade Agreement (hereinafter referred to as “this Agreement”):

CHAPTER 1
INITIAL PROVISIONS AND GENERAL DEFINITIONS

SECTION A: GENERAL DEFINITIONS

ARTICLE 1.1: DEFINITIONS OF GENERAL APPLICATION

For the purposes of this Agreement and, unless otherwise specified:

Agriculture Agreement means *Agreement on Agriculture*, contained in Annex 1A to the WTO Agreement;

Anti - dumping Agreement means the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* contained in Annex 1A to the WTO Agreement;

Customs Authorities means

- (a) for the State of Israel, the Customs Directorate of the Israel Tax Authority of the Ministry of Finance; and
- (b) for the Republic of Panama, the *National Customs Authority (Autoridad Nacional de Aduanas)*,

or their successors

customs duty means any customs or import duty or any charge of any kind imposed in connection with the importation of goods, including any form of surtax or surcharge in connection with such importation, but does not include any:

- (a) charge equivalent to an internal tax imposed in accordance with Article III: 2 of the GATT 1994, in respect of like, directly competitive, or substitutable goods of the Party, or in respect of goods from which the imported goods have been manufactured or produced in whole or in part;
- (b) antidumping or countervailing or safeguard duties that are applied in accordance with a Party's law and consistently with Chapter 7 (Trade Remedies);
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered;

Customs Valuation Agreement means the *Agreement on implementation of Article VII of the GATT 1994* contained in Annex 1A to the WTO Agreement;

days means calendar days;

enterprise means any entity constituted or organized under applicable law, whether or not for profit, and whether privately or governmentally owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, association or similar organization;

Free Trade Agreement Coordinators means the Agreement Coordinators established under Article 12.2 (Free Trade Agreement Coordinators);

GATS means the *WTO General Agreement on Trade in Services* contained in Annex 1B to the WTO Agreement;

GATT 1994 means the *WTO General Agreement on Tariffs and Trade 1994* contained in Annex 1A to the WTO Agreement;

Goods of a Party means domestic products as these are understood in the GATT 1994 or such goods as the Parties may agree, and includes originating goods of a Party;

government procurement means the process by which a government obtains the use of or acquires goods or services, or any combination thereof, for governmental purposes and not with a view to commercial sale or resale or with a view to use in the production or supply of goods or services for commercial sale or resale;

Harmonized System (HS) means the *Harmonized Commodity Description and Coding System*, including its General Rules of Interpretation, Section Notes and Chapter Notes, and its subsequent amendments, as adopted and implemented by the Parties in their respective tariff laws;

heading means a four-digit number, or the first four digits of a number, used in the nomenclature of the Harmonized System;

IMF means International Monetary Fund;

IMF Agreement means *Articles of Agreement of the International Monetary Fund*;

Joint Committee means the Joint Committee established under Article 12.1 (Establishment of the Joint Committee);

measure covers any measure whether in the form of a law, regulation, rule, procedure, decision, administrative action or practice;

MFN means Most Favored Nation;

originating means qualifying under the rules of origin set out in Chapter 3 (Rules of Origin);

person means a natural person or a juridical person;

Safeguards Agreement means the *Agreement on Safeguards* contained in Annex 1A to the WTO Agreement;

sanitary or phytosanitary measure means any measure referred to in, paragraph 1 of Annex A of the SPS Agreement;

SPS Agreement means the *Agreement on the Application of Sanitary and Phytosanitary Measures*, contained in Annex 1A to the WTO Agreement;

subheading means a six-digit number, or the first six digits of a number, used in the nomenclature of the Harmonized System;

Subsidies Agreement means the *Agreement on Subsidies and Countervailing Measures*, contained in Annex 1A to the WTO Agreement;

tariff classification means the classification of a good or material under a chapter, heading or subheading of the Harmonized System;

tariff elimination program means Annexes 2-B (Tariff Elimination for Industrial Goods), 2-C (Preferential Treatment for Fishery Goods) and 2-D (Preferential Treatment for Agricultural Goods).

TBT Agreement means the *Agreement on Technical Barriers to Trade*, contained in Annex 1A to the WTO Agreement;

territory means:

- (a) with respect to Israel, for the purposes of trade in goods, the territory where its customs laws are applied; and
- (b) with respect to Panama, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law.

TRIPS Agreement means the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, contained in Annex 1C to the WTO Agreement;

WTO means the *World Trade Organization*; and

WTO Agreement means the *Marrakesh Agreement Establishing the World Trade Organization*, done on April 15, 1994.

SECTION B: GENERAL PROVISIONS

ARTICLE 1.2: ESTABLISHMENT OF A FREE TRADE AREA

The Parties to this Agreement, in accordance with Article XXIV of the GATT 1994 and Article V of the GATS, hereby establish a free trade area.

ARTICLE 1.3: OBJECTIVES OF THE AGREEMENT

The objectives of this Agreement, as elaborated more specifically in its provisions are to:

1. eliminate barriers to trade and facilitate the movement of goods and services between the Parties;
2. promote fair conditions of competition relating to economic relations between the Parties;
3. substantially increase investment opportunities, as well as cooperation in areas which are of mutual interest to the Parties;
4. promote further bilateral and multilateral cooperation to expand and enhance the benefits of this Agreement; and
5. create effective procedures for the application and compliance with this Agreement and its joint administration.

ARTICLE 1.4: RELATION TO OTHER AGREEMENTS

1. The Parties affirm their existing rights and obligations with respect to each other in accordance with the WTO Agreement and its successor agreements and other agreements to which both Parties are party.
2. When this Agreement refers to or incorporates by reference other agreements or legal instruments in whole or in part, those references include:
 - (a) related footnotes, interpretative notes, and explanatory notes that are binding on both Parties; and
 - (b) successor agreements to which the Parties are party or amendments binding on the Parties, except when the reference affirms existing rights.

ARTICLE 1.5: EXTENT OF OBLIGATIONS

Each Party shall ensure that necessary measures are taken in order to give effect to the provisions of this Agreement, including their observance by its central, regional and local governments and authorities.

CHAPTER 2
NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

ARTICLE 2.1: SCOPE

Except as otherwise provided in this Agreement, this Chapter shall apply to trade in goods between the Parties.

SECTION A: DEFINITIONS

ARTICLE 2.2: DEFINITIONS

For the purposes of this Chapter:

advertising films and recordings means recorded visual media or audio materials, consisting essentially of images and/or sound, showing the nature or operation of goods or services offered for sale or lease by a person established or resident in the territory of a Party, provided that such materials are of a kind suitable for exhibition to prospective customers but not for broadcast to the general public;

commercial sample of negligible value means a commercial sample having a value, individually or in the aggregate as shipped, of not more than 1 USD, or the equivalent amount in the currency of either of the Parties, or so marked, torn, perforated or otherwise treated that it is unsuitable for sale or for use except as a commercial sample;

export subsidies shall have the meaning assigned to that term in Article 1(e) of the Agriculture Agreement.;

goods intended for display or demonstration includes their component parts, ancillary apparatus, and accessories;

goods temporarily admitted for sports purposes means sports requisites for use in sports contests, demonstrations, or training in the territory of the Party into whose territory such goods are admitted;

import licensing means an administrative procedure requiring the submission of an application or other documentation (other than that generally required for customs purposes) to the relevant administrative body as a prior condition for importation into the territory of the importing Party; **performance requirement** means a requirement that:

- (a) a given level or percentage of goods or services be exported;
- (b) domestic goods or services of the Party granting a waiver of customs duties or import license be substituted for imported goods;
- (c) a person benefiting from a waiver of customs duties or an import license purchase other goods or services in the territory of the Party granting the

waiver of customs duties or the import license, or accord a preference to domestically produced goods;

- (d) a person benefiting from a waiver of customs duties or an import license produce goods or supply services, in the territory of the Party granting the waiver of customs duties or the import license, with a given level or percentage of domestic content; or
- (e) relates in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows, but does not include a requirement that an imported good be:
- (f) subsequently exported;
- (g) used as a material in the production of another good that is subsequently exported;
- (h) substituted by an identical or similar good used as a material in the production of another good that is subsequently exported; or
- (i) substituted by an identical or similar good that is subsequently exported; and

printed advertising material means a good classified in Chapter 49 of the HS including a brochure, pamphlet, leaflet, trade catalogue, flyers, yearbook published by a trade association, tourist promotional material or poster, that is:

- (a) used to promote, publicize or advertise a good or service;
- (b) essentially intended to advertise a good or service; and
- (c) supplied free of charge.

SECTION B: NATIONAL TREATMENT

ARTICLE 2.3: NATIONAL TREATMENT

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994. To this end, Article III of the GATT 1994, are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. Paragraph 1 shall not apply to the measures set out in Annex 2-A

SECTION C: TARIFF ELIMINATION

ARTICLE 2.4: TARIFF ELIMINATION FOR INDUSTRIAL GOODS

1. Except as otherwise provided in this Agreement, each Party shall eliminate its customs duties on originating goods of the other Party, in accordance with Annex 2-B.
2. Except as otherwise provided in this Agreement, no Party may increase any existing customs duty, or adopt any customs duty, on an originating good of the other Party.
3. If, at any time, a Party reduces its applied customs tariff MFN after the date of entry into force of this Agreement, such tariff shall apply only if it is lower than the tariff resulting from the application of Annex 2-B.
4. On the request of either Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in the Annex 2-B.
5. For greater certainty, a Party may:
 - (a) modify a tariff outside this Agreement on a good for which no tariff preference is claimed under this Agreement;
 - (b) raise a customs duty back to the level established in Annex 2-B, following a unilateral reduction; or
 - (c) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

ARTICLE 2.5: PREFERENTIAL TREATMENT FOR FISHERY GOODS

1. The Parties grant tariff concessions to fishery goods originating in the Parties, as specified in Annex 2-C.
2. For greater certainty, a Party may:
 - (a) modify a tariff outside this Agreement on a good for which no tariff preference is claimed under this Agreement;
 - (b) raise a customs duty back to the level established in Annex 2-C, following a unilateral reduction; or
 - (c) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

SECTION D: SPECIAL REGIMES

ARTICLE 2.6: TEMPORARY ADMISSION OF GOODS

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:
 - (a) professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the laws of the importing Party;
 - (b) goods admitted for sports purposes and goods intended for display or demonstration; and
 - (c) commercial samples and advertising films and recordings.
2. Each Party shall, upon request of the person concerned and for reasons its Customs Authority considers valid, extend the time limit for temporary admission beyond the period initially fixed.
3. No Party may condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that the good be:
 - (a) admitted by a national or resident of the other Party seeking temporary entry;
 - (b) used solely by or under the personal supervision of a national or resident of the other Party in the exercise of trade, business, professional, or sport activities;
 - (c) not sold or leased while in its territory;
 - (d) accompanied by a security in an amount no greater than the import duties and other charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;
 - (e) capable of identification when exported;
 - (f) exported upon the departure of the person referenced in subparagraph (b), or within such other period related to the purpose of the temporary admission as the importing Party establish; or within one year, unless extended;
 - (g) admitted in no greater quantity than is reasonable for its intended use; or
 - (h) otherwise admissible into the Party's territory under its law.
4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the good plus any other charges or penalties provided for under its law.

5. Each Party shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, these procedures shall provide that, when such goods accompany a national or resident of the other Party who is seeking temporary entry, the goods shall be released simultaneously with the entry of that national or resident.
6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted.
7. Each Party shall provide that the importer or other person responsible for a good admitted under this Article shall not be liable for failure to export the good on presentation of satisfactory proof to the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension thereof.
8. Except as otherwise provided in this Agreement, the Party shall not:
 - (a) prevent a vehicle or container used in international traffic that enters its territory from the territory of the other Party to exit its territory on any route that is reasonably related to the economic and prompt departure of such vehicle or container;
 - (b) require any security or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a vehicle or container;
 - (c) condition the release of any obligation, including any security, that it imposes in respect of the entry of a vehicle or container into its territory on its exit through any particular port of departure; and
 - (d) require that the vehicle or carrier bringing a container from the territory of the other Party into its territory be the same vehicle or carrier that takes the container to the territory of the other Party.
9. For purposes of paragraph 8, **vehicle** means a truck, a truck tractor, a tractor, a trailer unit or trailer, a locomotive, or a railway car or other railroad equipment.

ARTICLE 2.7: GOODS RE-ENTERED AFTER REPAIR OR ALTERATION

1. Neither Party shall apply a customs duty to a good, regardless of its origin, that reenters its territory after that good has been temporarily exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repair or alteration could be performed in the territory of the Party from which the good was exported for repair or alteration.
2. Neither Party shall apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or alteration.

3. For purposes of this Article, repair or alteration does not include an operation or process that:

- (a) destroys a good's essential characteristics or creates a new or commercially different good; or
- (b) results in a change of the classification at a six digit level of the HS.

ARTICLE 2.8: DUTY- FREE ENTRY OF COMMERCIAL SAMPLES OF NEGLIGIBLE VALUE AND PRINTED ADVERTISING MATERIALS

1. Each Party shall grant duty-free entry to commercial samples of negligible value, and printed advertising materials, imported from the territory of the other Party, regardless of their origin, however, it may require that:

- (a) such samples be imported solely for the solicitation of orders for goods, or services provided from the territory, of the other Party or a non-Party; or
- (b) such advertising materials be imported in packets that each contain no more than one copy of each material and that neither such materials nor the packets form part of a larger consignment.

SECTION E: NON-TARIFF MEASURES

ARTICLE 2.9: IMPORT AND EXPORT RESTRICTIONS

1. Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994. To this end, Article XI of the GATT 1994 are incorporated into and made a part of this Agreement, *mutatis mutandis*.
2. Paragraph 1 shall not apply to the measures set out in Annex 2-A
3. The Parties understand that the GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:
 - (a) export and import price requirements, except as permitted in enforcement of countervailing and antidumping duty orders and undertakings;
 - (b) import licensing conditioned on the fulfillment of a performance requirement; or

- (c) voluntary export restraints inconsistent with Article VI of the GATT 1994, as implemented under Article 18 of the Subsidies Agreement and Article 8.1 of the Anti-dumping Agreement.

ARTICLE 2.10: IMPORT LICENSING PROCEDURES

No Party shall maintain or adopt a measure that is inconsistent with the Agreement on Import Licensing Procedures of the WTO (hereinafter referred to as the “Import Licensing Agreement”), and the same is incorporated into this Agreement, *mutatis mutandis*.

ARTICLE 2.11: ADMINISTRATIVE FEES AND FORMALITIES

1. Each Party shall ensure, in accordance with Article VIII of the GATT 1994, that all fees and charges of whatever character (other than customs duties, charges equivalent to an internal tax or other internal charge applied consistently with Article III:2 of the GATT 1994, and antidumping and countervailing duties) imposed on or in connection with importation or exportation are limited in amount to the approximate cost of services rendered and do not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes.

ARTICLE 2.12: DUTIES ON EXPORTS

1. Neither Party may adopt or maintain any duty, tax, or other charge on the export of any good to the territory of the other Party.
2. Paragraph 1 shall not apply to measures set out in Annex 2-A

ARTICLE 2.13: BALANCE OF PAYMENTS

The rights and obligations of the Parties relating to balance of payments shall be governed by the *Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994*, part of Annex 1A of the WTO Agreement.

SECTION F: OTHER MEASURES

ARTICLE 2.14: CUSTOM VALUATION

1. The Customs Valuation Agreement and any successor agreement shall govern customs valuation rules applied by the Parties to their reciprocal trade. To this end, the

Customs Valuation Agreement and any successor agreement are incorporated and made part of this Agreement, *mutatis mutandis*.

2. Customs legislation of each Party shall comply with Article VII of the GATT 1994 and the Customs Valuation Agreement.

ARTICLE 2.15: COMMITTEE ON TRADE IN GOODS

1. The Parties hereby establish a Committee on Trade in Goods, (hereinafter the Committee), comprising representatives of each Party.
2. Committee meetings and any *Ad-hoc* working group will be chaired by representatives of the *Ministry of Economy and Industry of the State of Israel* and the *Ministry of Commerce and Industries of the Republic of Panama (Ministerio de Comercio e Industrias de la República de Panamá)*, or their respective successors.
3. The Committee shall have the following functions:
 - (a) monitoring the implementation and administration of this Chapter;
 - (b) promoting trade in goods between the Parties, including through consultations on accelerating tariff elimination under this Agreement, and other issues as appropriate;
 - (c) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, if appropriate, referring such matters to the Joint Committee as referred to in Article 12.1 (Establishment and Functions of the Joint Committee), for its consideration;
 - (d) reviewing the amendments to the HS to ensure that each Party's obligations under this Agreement are not altered, and if necessary consult to resolve any conflicts;
 - (e) establish *Ad-hoc* working groups with specific mandates; and
 - (f) consider any other matter arising under this Chapter.
 - (g) carry out the assignments arising by Chapter 5 (Sanitary and Phytosanitary Measures) and Chapter 6 (Technical Barriers to Trade)
4. All decisions of the Committee shall be taken by mutual agreement.

SECTION G: AGRICULTURE

ARTICLE 2.16: SCOPE

1. This Section shall apply to the measures adopted or maintained by the Party relating to trade in agricultural goods.
2. The term “agricultural goods” means, for the purposes of this Agreement, the goods listed in Annex I of the Agreement on Agriculture.
3. For agricultural goods, the provisions of this Section shall prevail over the provisions of any other Section or Chapter of this Agreement.

ARTICLE 2.17: PREFERENTIAL TREATMENT OF AGRICULTURAL GOODS

1. The Parties grant tariff concessions and reduce or eliminate customs duties to agricultural goods originating in the Parties, as indicated in the Annex 2-D.
2. For greater certainty, a Party may:
 - (a) modify a tariff outside this Agreement on a good for which no tariff preference is claimed under this Agreement;
 - (b) raise a customs duty back to the level established in Annex 2-D, following a unilateral reduction; or
 - (c) maintain or increase a customs duty as authorized by the Dispute Settlement Body of the WTO.

ARTICLE 2.18: ADMINISTRATION AND IMPLEMENTATION OF TARIFF-RATE QUOTAS

1. Each Party shall implement and administer tariff rate quotas for imports of agricultural goods set out in Annex 2-D in accordance with Article XIII of GATT 1994, and the Import Licensing Agreement.
2. Upon request of the exporting Party, the importing Party shall provide information to the exporting Party with respect to the administration of the tariff rate quotas of the importing Party.

ARTICLE 2.19: EXPORT SUBSIDIES

1. The Parties share the objective of eliminating export subsidies for agricultural goods in the framework of the WTO negotiations. This is without prejudice to the rights of the Parties in those multilateral negotiations.
2. From the entry into force of this Agreement, no Party may adopt or maintain any export subsidy on any agricultural good destined for the territory of the other Party.

3. Notwithstanding paragraph 2, a Party may adopt or maintain an export subsidy in accordance with its law and its WTO commitments on an agricultural good that is exported to the other Party.

A Party which is considering the application of a measure to counter the effects of the export subsidy shall discuss, at the request of the other Party, with a view to agreeing on such measures that either Party may adopt in accordance with the laws of a Party and its WTO commitments. If no mutually satisfactory measures are agreed upon, the importing Party may increase the rate of duty on such imports up to the applied MFN tariff rate.

ANNEX 2-A

EXCEPTIONS TO NATIONAL TREATMENT AND IMPORT AND EXPORT RESTRICTIONS

SECTION A: MEASURES OF ISRAEL

The provisions of Articles 2.3, 2.9, and 2.12 shall not apply to measures adopted by Israel with respect of:

- (a) controls and charges maintained by Israel on the export of metal waste and scrap;
- (b) Israeli law on imports of non-kosher meat.
- (c) actions authorized by the Dispute Settlement Body of the WTO.

SECTION B: MEASURES OF PANAMA

The provisions of Articles 2.3 and 2.9 shall not apply to measures adopted by Panama in respect of:

- (a) a measure to regulate the importation of lottery tickets in official circulation pursuant to Cabinet Decree No. 19 of June 30, 2004;
- (b) import controls on used vehicles pursuant to Law No. 36 of May 17, 1996;
- (c) a measure regulating the importation of used motor vehicles, pursuant to Law No. 45 of October 31, 2007;
- (d) import controls of video and other games classified under heading 95.04 providing cash prizes pursuant to Decree-Law No. 2 of February 10, 1998; and

(e) actions authorized by the Dispute Settlement Body of the WTO.

ANNEX 2-B

SCHEDULES OF TARIFF ELIMINATION FOR INDUSTRIAL GOODS

1. Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 2.4: (Tariff Elimination for Industrial Goods):
 - (a) duties on goods not listed under any Category shall be abolished on the date of entry into force of this Agreement
 - (b) duties on originating goods provided for in the items in staging Category **B3** in a Party's Schedule shall be removed in three equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year three (3);
 - (c) duties on originating goods provided for in the items in staging Category **B5** in a Party's Schedule shall be removed in five equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year five (5);
 - (d) duties on originating goods provided for in the items in staging Category **B7** in a Party's Schedule shall be removed in seven equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year seven (7);
 - (e) duties on originating goods provided for in the items in staging Category **C10** in a Party's Schedule shall be removed in ten equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year ten (10);
 - (f) duties on originating goods provided for in the items in staging Category **D15** in a Party's Schedule shall be removed in fifteen equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year fifteen (15);
2. The base rate of customs duty and staging category for determining the interim rate of customs duty at each stage of reduction for an item are indicated for the item in each Party's Schedule.
3. For purposes of this Annex and a Party's Schedule, year one (1) means the year this Agreement enters into force as provided in Article 17.3 (Entry into Force).
4. For purposes of this Annex and a Party's Schedule, beginning in year two (2), each annual stage of tariff reduction shall take effect on January 1 of the relevant year.

ANNEX 2-B-1

SECTION A: TARIFF ELIMINATION IN ISRAEL FOR THE ORIGINATING GOODS OF PANAMA

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
25010000	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti caking or free flowing agents; sea water.	12	B7
28342100	Of potassium	12	B3
28352500	Calcium hydrogenorthophosphate ("dicalcium phosphate")	12	B3
28352600	Other phosphates of calcium	12	B5
29181500	Salts and esters of citric acid	8	B3
29232010	Lecithin	12	B3
30029090	Others	6	B3
30031090	Others	12	B3
30032090	Others	12	B3
30033190	Others	12	B3
30033990	Others	12	B3
30039090	Others	12	B3
30051040	Stretchable or elastic band aids	12	B5
30059019	Others	12	B3
30059020	Stretchable or elastic band aids	12	B3
30065000	First aid boxes and kits	12*	B3
30066019	Others	12	B3
30069290	Others	12	B3
33041000	Lip make up preparations	12	B7
33042000	Eye make up preparations	12	B7
33043000	Manicure or pedicure preparations:	12	B7
33049100	Powders, whether or not compressed:	12	B7
33049990	Others	12	B7
33051000	Shampoos	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
33052000	Preparations for permanent waving or straightening	12	B7
33053000	Hair lacquers	12	B7
33059000	Other:	12	B7
33061090	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
33069010	Special preparations for the care of dentures	12	B3
33069090	Others	12	B3
33071000	Pre shave, shaving or after shave preparations.	12	B7
33072000	Personal deodorants and antiperspirants	12	B3
33073000	Perfumed bath salts and other bath preparations	12	B7
33074100	Agarbatti and other odoriferous preparations which operate by burning	12	B3
33074900	Other	12	B3
33079090	Others	12	B3
34011100	For toilet use (including medicated products)	12	B7
34011900	Other	12	B3
34012030	For washing	12	B3
34012090	Others	12	B3
35052000	Glues	12	B3
35061000	Products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg	12	B3
36050000	Matches, other than pyrotechnic articles of heading 36.04.	12	B7

36061000	Liquid or liquefied gas fuels in containers of a kind used for filling or refilling cigarette or similar lighters and of a capacity not exceeding 300 cubic cm	12	B3
38085290	Others	12	B3
38085990	Others	12	B3
38089190	Others	12	B3
38089290	Others	12	B3
38089390	Others	12	B3
38089490	Others	12	B7
38089990	Others	12	B3
38111900	Other	12	B3
38112100	Containing petroleum oils or oils obtained from bituminous minerals	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
38112900	Other	12	B3
38119000	Other	12	B3
38130000	Preparations and charges for fire extinguishers; charged fire extinguishing grenades.	12	B3
38200000	Anti freezing preparations and prepared de icing fluids.	12	B3
38254100	Halogenated	12	B3
38255090	Other	12	B3
39181000	Of polymers of vinyl chloride	12	B5
39189099	Others	12	B3
39221010	Baths; shower trays, sinks, wash basins all those to be permanently installed	12	B3
39221090	Others	12	B3
39222000	Lavatory seats and covers	12	B3
39229020	Sink stand, lavatory pans, bidet all those to be permanently installed	12	B3
39229090	Others	12	B3
39231090	Others	12	B7
39232190	Others	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
39232990	Others	12	B7
39233090	Others	12	B7
39234090	Others	12	B3
39235000	Stoppers, lids, caps and other closures	12	B7
39239090	Others	12	B7
39241000	Tableware and kitchenware	12	B7
39249000	Other	12	B7
39259090	Other	12	B7
39261000	Office or school supplies	12	B7
39262000	Articles of apparel and clothing accessories (including gloves, mittens and mitts)	12	B7
39263010	Of the kind used in motor vehicles, except for the exempted tractors, or forklifts, as well as for vehicles moving on rails, except for reflectors	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
39264000	Statuettes and other ornamental articles	12	B7
39269040	Albums, album pages	12	B7
39269051	Life savers (for swimmers)	12	B7
39269059	Others	12	B7
39269090	Others	12	B7
40091110	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40091210	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40092110	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3

40092210	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40093110	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40093210	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40094110	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40094210	Of the kind used in motor vehicles, for tax exempted tractors or forklifts as well as for vehicles moving on rails	12	B3
40116300	Of a kind used on construction or industrial handling vehicles and machines and having a rim size not exceeding 61 cm	12	B3
40117090	Other:	12	B3
40119400	Of a kind used on construction or industrial handling vehicles and machines and having a rim size exceeding 61 cm:	12	B3
40119900	Other	12	B3
40119090	Others:	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
40129000	Other	12	B3
40149090	Others	12	B3
40159000	Other	12	B3
40161050	Sunshades, awnings, tents, and similar camping equipment from textile materials of heading 63.06	12	B3
40169100	Floor coverings and mats	12	B3
40169399	Others	8	B3
40169590	Others	12	B3
40169990	Others	8	B3
42021990	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
42022900	Other	12	B7
42023990	Others	12	B3
42029100	With outer surface of leather or of composition leather	12	B3
42029200	With outer surface made of plastic sheeting or of textile materials	12	B7
42029990	Others	12	B3
42031000	Articles of apparel:	12	B3
42032910	Specially made for the protection and security of workers in industry or light industry	12	B3
42033090	Bandoliers	12	B7
42034000	Other clothing accessories	12	B3
42050021	Of the kind used in vehicles	12	B3
42050029	Others	12	B3
42050039	Others	12	B3
43040000	Artificial fur and articles thereof.	12	B3
48030050	Coloured on their surface, decorated or printed (which are not printed matter of chapter 49), crinkled, embossed, perforated, or creped	12	B3
48030090	Others	12	B3
48114100	Self adhesive	12	B3
48120000	Filter blocks, slabs and plates, of paper pulp.	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
48142000	Wallpaper and similar wall coverings, consisting of paper coated or covered, on the face side, with a grained, embossed, coloured, design printed or otherwise decorated layer of plastics	12	B3
48149000	Other	12	B7
48171000	Envelopes	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
48172000	Letter cards, plain postcards and correspondence cards	12	B3
48173000	Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	12	B3
48181000	Toilet paper	12	B7
48182000	Handkerchiefs, cleansing or facial tissues and towels	12	B7
48183000	Tablecloths and serviettes	12	B7
48185000	Articles of apparel and clothing accessories	12	B3
48189000	Other	12	B3
48191000	Cartons, boxes and cases, of corrugated paper or paperboard	12	B7
48192000	Folding cartons, boxes and cases, of non corrugated paper or paperboard	12	B7
48193000	Sacks and bags, having a base of a width of 40 cm or more	12	B3
48195090	Others	12	B7
48196000	Box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or the like	12	B3
48201010	Letters pads	12	B7
48201090	Others	12	B7
48202000	Exercise books	12	B7
48203000	Binders (other than book covers), folders and file covers	12	B7
48204000	Manifold business forms and interleaved carbon sets	12	B7
48205000	Albums for samples or for collections	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
48209090	Others	12	B3
48211000	Printed	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
48219000	Other	12	B7
48236900	Other	8	B7
48237090	Others	12	B7
48239090	Others	12	B7
49030000	Children's picture, drawing or colouring books.	12	B3
49090000	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	12	B7
49100090	Others	12	B7
49111090	Others	12	B7
49119190	Others	12	B7
49119990	Others	12	B7
57022000	Floor coverings of coconut fibers (coir)	12	B3
57023910	Where the exposed area of the article as defined in note 1 of this chapter, is made entirely from the materials defined in chapter 53 excluding flax	12	B3
57024910	Where the exposed area of the article as defined in note 1 of this chapter, is made entirely from the materials defined in chapter 53 excluding flax	12	B3
57029910	Where the exposed area of the article as defined in note 1 of this chapter, is made entirely from the materials defined in chapter 53 excluding flax	12	B3
57031010	Felt	12	B3
57032010	Felt	12	B3
57032020	In which the pile is made entirely of strips of heading 54.04	12	B3
57033010	Felt	12	B3
57033029	Others	12	B3
57039010	Felt	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
57039020	Where the exposed area of the article as defined in note 1 of this chapter, is made entirely from the materials defined in chapter 53 excluding flax	12	B3
57041000	Tiles, having a maximum surface area of 0.3 sqm.	12	B3
57049010	Processed by needle loom, without rubber or plastic base whose weight per sqm. Does not exceed 550 gr	12	B3
57049090	Others	12	B3
57050010	Flocked felt	12	B3
57050091	Where the exposed area of the article as defined in note 1 of this chapter, is made entirely from the materials defined in chapter 53 excluding flax	12	B3
57050092	In which the pile is made entirely of polypropylene of the fibrilating strip type	12	B3
58079090	Knitted	6	B3
59050040	Made of other vegetable textile fibers or of paper yarns	12	B3
59119040	Textile discs for polishing and shining	6	B7
60012290	Others	6	B3
60041000	Containing by weight 5% or more of elastomeric yarn but not containing rubber thread	6	B7
60049000	Other	6	B3
60061000	Of wool or fine animal hair	12	B3
60062200	Dyed	6	B7
60062400	Printed	6	B3
61034200	Of cotton	6	B7
61069000	Of other textile materials	6	B7
61071900	Of other textile materials	6	B7
61072900	Of other textile materials	6	B7
61081900	Of other textile materials	6	B7
61091010	T shirts	6	B7
61091090	Others	6	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
61099090	Others	6	B7
61102000	Of cotton	6	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
61149000	Of other textile materials	6	B7
61159990	Other	6	B7
62033900	Of other textile materials	6	B7
62034200	Of cotton	6	B7
62034900	Of other textile materials	6	B7
62046200	Of cotton	6	B7
62052000	Of cotton	6	B7
62063000	Of cotton	6	B7
62079900	Of other textile materials	6	B3
62099090	Others	6	B3
62111200	Women's or girls'	6	B7
62114990	Others	6	B3
62121090	Others	6	B7
62159000	Of other textile materials	6	B3
63014000	Blankets (other than electric blankets) and travelling rugs, of synthetic fibers	6	B7
63022100	Of cotton	6	B5
63022290	Others	6	B7
63026000	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	12	B7
63029100	Of cotton	6	B7
63079090	Others ii. Sets	6	B7
63090000	Worn clothing and other worn articles.	6	B7
64011000	Footwear incorporating a protective metal toe cap	12	B7
64019200	Covering the ankle but not covering the knee	12	B3
64019900	Other	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
64021200	Ski boots, cross country ski footwear and snowboard boots	12	B3
64021900	Other	12	B3
64022000	Footwear with upper straps or thongs assembled to the sole by means of plugs	12	B3
64029100	Covering the ankle	12	B7
64029900	Other	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
64031200	Ski boots, cross country ski footwear and snowboard boots	12	B3
64031900	Other	12	B3
64032000	Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe	12	B3
64034000	Other footwear, incorporating a protective metal toe cap	12	B3
64035900	Other	12	B3
64039100	Covering the ankle	12	B3
64039900	Others	12	B7
64041110	Sport shoes	12	B3
64041199	Others	12	B7
64041910	Made from an non padded sole, having an upper at its front only	12	B3
64041920	Sock with an attached sole made of a sheet of plastic whose thickness does not exceed 2 mm	12	B3
64041990	Others	12	B7
64042000	Footwear with outer soles of leather or composition leather	12	B3
64051000	With uppers of leather or composition leather	12	B3
64052000	With uppers of textile materials	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
64059010	Made entirely of wood	12	B3
64059090	Others	12	B7
65050010	Skull caps (yarmulkes) for religious purposes	12	B7
67010010	Ornaments and fancy goods	12	B3
67021000	Of plastics	12	B3
67029000	Of other materials	12	B3
68053000	On a base of other materials	8	B7
68101921	Tiles (such as for floor, fireplace, wall and wall cover panels) of a thickness not exceeding 2.5 cm; mosaic tiles	12	B3
68101929	Others	12	B3
68159929	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
69051000	Roofing tiles	12	B7
69059000	Other	12	B3
69079019	Others	12	B3
69089010	Tiles (for example, floor, fireplace, wall, and wall cover tiles)	12	B7
69089090	Others	12	B7
69101020	Sinks, sink pedestals, toilet bowls, bathtubs, bidets, flushing tanks, urinals	12	B5
69119000	Other	12	B5
69120000	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china.	12	B3
69131000	Of porcelain or china	12	B3
69139000	Other	12	B7
69141090	Others	12	B3
69149090	Others	12	B3
70031200	Coloured throughout the mass (body tinted), opacified, flashed or having an absorbent, reflecting or non reflecting layer	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
70031900	Other	12	B3
70032000	Wired sheets	12	B3
70033090	Others (mex 2),	12	B3
70042000	Glass, coloured throughout the mass (body tinted), opacified, flashed or having an absorbent, reflecting or non reflecting layer	12	B3
70049000	Other glass	12	B3
70051090	Other	12	B5
70052190	Other	12	B5
70052990	Other	12	B5
70053000	Wired glass	12	B5
70060099	Others	12	B3
70071111	Concave	12	B3
70071119	Other	12	B3
70071191	Concave	12	B5
70071199	Other	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
70071930	Polished sheet of a thickness of 4 or 5 mm, in which none of the sides exceeds 0.65 m and specific for home cooking and backing ovens and refrigerators	12	B7
70071991	Having an absorbent, reflecting or a non reflecting layer	12	B7
70071999	Other	12	B7
70072111	Concave	12	B3
70072119	Other	12	B3
70072120	Bullet proof of a thickness of 20 mm or more	12	B3
70072191	Concave	12	B3
70072199	Other	12	B3
70072900	Other	12	B3
70091000	Rear view mirrors for vehicles	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
70099100	Unframed	12	B3
70099200	Framed	12	B7
70109020	Of the kind used for aerosol system spraying and parts thereof	8	B7
70109031	Of a capacity exceeding 0.18 litre but not exceeding 1.5 litre	16.9	B7
70109099	Others	8	B7
70169020	Tiles (for example, floor, wall, and wall cover tiles)	12	B3
70169090	Others	12	B3
70179000	Other	6	B3
70182000	Glass microspheres not exceeding 1 mm in diameter	12	B3
70189000	Other	12	B3
70200030	Glass structures: door, window, wall or any other part of the structure.	12	B3
70200040	Inners of glass for jars isolated in vacuum or for other containers isolated in vacuum	12	B3
71131110	Clad, except clips and similar attachment devices	12	B3
71131120	Clips and similar attachment devices	12	B3
71131190	Others	12	B3
71131910	Clips and similar attaching devices	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
71131990	Others	12	B3
71141110	Spoons, forks, knives, fish silverware, butter knives, and similar table sets, clad	12	B3
71141130	Medals	12	B3
71141910	Spoons, forks, knives, fish silverware, butter knives, and table sets, clad	12	B3
71141930	Medals	12	B3
71142010	Spoons, forks, knives, fish silverware, butter knives, and table sets, of silver	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
71161010	Necklaces	12	B3
71161090	Others	12	B3
71162020	Necklaces	12	B3
71162090	Others	12	B3
71171910	Wrist watch bracelets in lengths	12	B3
71179060	Made of processed turtle shell, ivory, bone, horn, coral (natural or heaped) and other animal carving substances provided that they are made of one substance only	12	B7
73030000	Tubes, pipes and hollow profiles, of cast iron.	12	B3
73071100	Of non malleable cast iron	12	B3
73071990	Other	12	B3
73079340	Elbows, u pipe, arches, and angles for pipes with an internal diameter not exceeding 480 mm, excluding those made of alloy steel	12	B3
73079920	Elbows, u pipe, arches, and angles for pipes with an internal diameter not exceeding 480 mm, excluding those made of alloy steel	12	B3
73089039	Other	12	B7
73141990	Others	12	B3
73181300	Screw hooks and screw rings	12	B3
73181500	Other screws and bolts, whether or not with their nuts or washers	12	B7
73181900	Other	12	B3
73182300	Rivets	12	B3
73182400	Cotters and cotter pins	12	B3
73182900	Other	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
73221100	Of cast iron:	12	B3
73221900	Other:	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
73229000	Other	12	B3
73239100	Of cast iron, not enamelled:	12	B3
73239200	Of cast iron, enamelled:	12	B3
73239300	Of stainless steel:	12	B7
73239400	Of iron (other than cast iron) or steel, enamelled:	12	B3
73239900	Other:	12	B3
73251010	Rings, covers, and frames for control box of water systems, sanitary, communication or electricity, underground; curbs, of sidewalk, frames and grids, for rain water draining	12	B3
73269011	Containers for personal use	12	B7
73269016	Furniture	12	B7
74091910	Parts set on plastic material or on paper or on paperboard	12	B3
74092110	Parts set on plastic material or on paper or on paperboard	12	B3
74092910	Parts set on plastic material or on paper or on paperboard	12	B3
74099010	Parts set on plastic material or on paper or on paperboard	12	B3
74191000	Chains and parts thereof	12	B3
76129020	Casks for transporting milk, whose capacity is 15 liters or more	5.4	B7
76129040	Cans of the type used for aerosol spraying	10	B7
76129050	Containers of heading 76.11 having a capacity no greater than 200 liters	2	B7
76129090	Others	8	B7
82015000	Secateurs and similar one handed pruners and shears (including poultry shears)	12	B3
82016091	Pruning shears	12	B3
82051000	Drilling, threading or tapping tools	12	B3
82052000	Hammers and sledge hammers	12	B3
82053000	Planes, chisels, gouges and similar cutting tools for working wood	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
82054000	Screwdrivers	12	B3
82055100	Household tools	12	B3
82055991	For office use	12	B3
82055999	Others	12	B3
82056000	Blow lamps	12	B3
82059091	Anvils; portable forges; hand or pedal operated grinding wheels with frameworks	12	B3
82059099	Others	12	B3
82060030	Including office tools or instruments	12	B3
82060090	Others	12	B3
82074090	Others	12	B3
82075000	Tools for drilling, other than for rock drilling:	12	B3
82075090	Others	12	B3
82076000	Tools for boring or broaching:	12	B3
82078000	Tools for turning	12	B3
82079090	Others	12	B3
82090000	Plates, sticks, tips and the like for tools, unmounted, of cermets.	12	B3
82111000	Sets of assorted articles	12	B3
82119110	Knives	12	B3
82119190	Handles	12	B3
82119210	For the kitchen or for butchers, excluding handles presented separately	12	B3
82119290	Others	12	B3
82119300	Knives having other than fixed blades	12	B3
82119410	Sharpened, polished, or plated, of the kind used for the production of table knives, kitchen knives or butcher knives	12	B3
82119500	Handles of base metal	12	B3
82159900	Other	12	B3
83012000	Locks of a kind used for motor vehicles	12	B3
83013000	Locks of a kind used for furniture	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
83015000	Clasps and frames with clasps, incorporating locks	12	B3
83017000	Keys presented separately	12	B3
83030010	Savings or charity boxes	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
83030020	Boxes made from sheet iron or sheet steel, whose weight does not exceed 5 kg	12	B3
83030030	Strong rooms, doors for strong rooms, internal plating for strong rooms	12	B3
83052000	Staples in strips	12	B3
83061090	Others	12	B3
83062190	Others	12	B3
83062920	Made of copper	12	B3
83062990	Others	12	B3
83063000	Photograph, picture or similar frames; mirrors	10	B3
83081000	Hooks, eyes and eyelets	12	B3
83082000	Tubular or bifurcated rivets	12	B3
83089000	Other, including parts	12	B3
83113000	Coated rods and cored wire, of base metal, for soldering, brazing or welding by flame	12	B3
83119000	Other	12	B3
84031000	Boilers	12	B3
84039000	Parts	12	B3
84131100	Pumps for dispensing fuel or lubricants, of the type used in fitting stations or in garages	12	B3
84139110	Pump bodies of subheading 7020	12	B3
84142000	Hand or foot operated air pumps	12	B3
84145999	Others	12	B3
84148021	Of an overall weight not exceeding 600 kg	12	B3
84149050	Specially for goods of subheading 5100	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84151030	Specially for cooling cabinets containing electrical equipment and whose output does not exceed 12,000 btu/hr	12	B5
84151040	Of a cooling output not exceeding 48,000 btu/hr	12	B5
84158249	Others	12	B5
84158350	Of a cooling output not exceeding 48,000 btu/hr	12	B5
84159011	Of the kind used in a motor vehicle	12	B5
84159014	Of a cooling output not exceeding 48,000 btu/hr according to article 9011	12	B5

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84159020	Specially for goods of subheadings 1030, 1040, 8120, 8240 and 8350	12	B5
84159031	Evaporator, evaporating unit having a rigid plastic covering, designated for the sole use in motor vehicles, wheter including accessories such as, blower, electrical motor expansion valve, or not; condensing coil, made of aluminium or aluminium and iron, specially made for motor vehicle	12	B5
84159039	Other	12	B5
84181010	Of total capacity which does not exceeds 800 liters of kind used in households	12	B5
84181090	Others	12	B3
84182000	Refrigerators, household type:	12	B3
84182110	Of total capacity which does not exceeds 800 liters	12	B3
84182190	Others	12	B3
84182900	Other	12	B3
84183000	Freezers of the chest type, not exceeding 800 liters capacity:	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84184000	Freezers of the upright type, not exceeding 900 liters capacity	12	B3
84185010	If refrigerators include freezers or not, of total capacity which does not exceeds 800 liters of kind used in households	12	B3
84185090	Other	12	B3
84186100	Heat pumps other than air conditioning machines of heading 84.15	12	B3
84186930	Electrical appliance for refrigerating or chilling of water or soft beverages, with or without a mixing device, of the kind used in offices or retail businesses	12	B3
84186940	Refrigeration units suitable for installation in vehicles, for refrigeration of goods during their transport	12	B3
84186950	Refrigeration units suitable for installation in refrigeration rooms	12	B3
84186962	Liquid cooling units of a cooling output not exceeding 48,000 BTU/HR	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84186969	Others	12	B3
84186999	Others	12	B3
84189100	Furniture designed to receive refrigerating or freezing equipment	12	B3
84189913	Not containing a compressor	12	B3
84189914	Of a cooling output not exceeding 48,000 btu/hr	12	B3
84189990	Others:	12	B3
84195041	Not containing compressor	12	B3
84195042	Of a cooling output not exceeding 48,000 btu/hr	12	B3
84195050	Evaporator, condensing unit condensing or evaporating coil	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84212300	Oil or petrol filters for internal combustion engines	12	B3
84213100	Intake air filters for internal combustion engines	12	B3
84213911	Catalytic converter	12	B3
84213919	Others	12	B3
84219910	Of the kind used for motor vehicles, excluding those of subheading 9930	12	B3
84231090	Others	12	B3
84232000	Scales for continuous weighing of goods on conveyors	12	B3
84233090	Others	12	B3
84238100	Having a maximum weighing capacity not exceeding 30 kg:	12	B3
84238290	Others	12	B3
84238990	Others	12	B3
84241000	Fire extinguishers, whether or not charged	12	B3
84244111	Where the weight of each one does not exceed 15 kg	12	B3
84244911	Others	12	B3
84248950	Machines and appliances for altering the air humidity:	12	B3
84249010	For goods of subheading 8950	12	B3
84249040	For goods of subheading 8110	12	B3
84251900	Other	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84253990	Others	12	B3
84314920	Wheels on which noninflatable tires are mounted	12	B3
84381010	Specially for the bakery industry:	12	B3
84423010	Machines of the typewriter kind having justifying devices	12	B3
84529011	Arms without the internal parts	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84529020	Other parts for sewing machines and their heads, for sewing textiles and textile products.	12	B3
84529040	Heads of a weight not exceeding 16 kg and parts thereof	12	B3
84661010	Non adjustable conical or cylindrical clamps for rotating tools	12	B3
84669210	Non adjustable conical or cylindrical clamps for rotating tools	12	B3
84669410	Non adjustable conical or cylindrical clamps for rotating tools	12	B3
84723000	Machines for sorting or folding mail or for inserting mail in envelopes or bands, machines for opening, closing or sealing mail and machines for affixing or cancelling postage stamps	12	B3
84729070	Other, coin operated machines, for stamping medical prescriptions	12	B3
84729080	Machines for printing addresses and machines for imprinting address' signs	12	B3
84734010	Parts and accessories for machines of subheading 84.72.3000	12	B3
84734090	Others	12	B3
84743190	Others	12	B3
84762100	Incorporating heating or refrigerating devices	12	B3
84762900	Other	12	B3
84768990	Others	12	B3
84769000	Parts	12	B3
84791019	Others	12	B3
84798959	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84798969	Carpet cleaning machines excluding those operated by a motor	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
84799062	Not containing the compressor	12	B3
84803021	Made of synthetic plastic materials	12	B3
84803022	Made of wood	12	B3
84803025	Made of aluminium	12	B3
84818010	Cast valves of the kind "sluice valve" and "gate valve" whose nominal diameter does not exceed 16 inches	12	B3
84818020	Butterfly valves suitable for pipes of nominal diameter exceeding 12 inches but not exceeding 40 inches	12	B3
84818091	Ball valves suitable for pipes of a diameter from 1/2 inch to 3 inches	12	B3
84819090	Others	12	B3
84841010	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
84841090	Others	12	B3
84842010	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
84842090	Others	12	B3
84849010	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
84849090	Other:	12	B3
85011099	Others	12	B5
85012099	Others	12	B5
85014099	Others	12	B5
85015199	Others	12	B3
85015290	Others	12	B5
85015390	Others	12	B5
85024010	For the manufacture of welding machines and appliances	12	B3
85030030	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85030099	Others	12	B3
85041000	Ballasts for discharge lamps or tubes	12	B5
85042100	Having a power handling capacity not exceeding 650 kva	12	B5
85043110	Of the kind used exclusively or mainly for welding, soldering or braising	12	B5
85043121	Up to 45 kilo volts	12	B5
85043300	Having a power handling capacity exceeding 16 kva but not exceeding 500 kva	12	B5
85043400	Having a power handling capacity exceeding 500 kva	12	B5
85044050	Domestic mattery chargers put up in sets including batteries	12	B5
85044071	Imported with accumulators	12	B5
85044080	Others, imported with accumulators	12	B5
85059011	Up to 500 volt amperes (V.A.) exluding lifting heads	12	B3
85064090	Others	12	B3
85066090	Others	12	B3
85068090	Others	12	B3
85071020	Of a kind used in motor vehicle and only that the height of the side walls of its tank does not exceed 375 mm	12	B3
85071090	Others	12	B5
85072020	Special for the ignition of a motor vehicle and only that the hight of the side walls of its tank does not exceed 375 mm	12	B3
85072090	Others	12	B5
85073012	Of the kind used in apparatuses classified in headings 84.71.3010, 85.17.1290	12	B3
85073013	Of the kind used in a motor vehicle	12	B3
85073019	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85074020	Of the kind used in apparatuses classified in headings 84.71.3010, 85.17.1290	12	B3
85074030	Of the kind used in a motor vehicle	12	B3
85074090	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85075020	Of the kind used in apparatuses classified in headings 85.17.1290, 84.71.3010	12	B3
85075030	Of the kind used in motor vehicles	12	B3
85075090	Others	12	B3
85076020	Of the kind used in apparatuses classified in headings 85.17.1290, 84.71.3010	12	B3
85076030	Of the kind used in motor vehicles	12	B3
85076090	Others	12	B3
85078020	Of the kind used in apparatuses classified in headings 84.71.3010, 85.17.1290	12	B3
85078030	Of the kind used in motor vehicles	12	B3
85078090	Others	12	B3
85079000	Parts:	12	B3
85094000	Food grinders and mixers; fruit or vegetable juice extractors	6	B3
85098090	Others	12	B3
85161090	Others	12	B3
85162190	Others	12	B3
85162990	Others	12	B3
85166000	Other ovens; cookers, cooking plates, boiling rings, grillers and roasters:	6	B3
85167900	Other:	12	B3
85168090	Others	12	B3
85169095	Cooking compartments, whether assembled or not	12	B3
85169096	Top surfaces, with or without heating or control elements	12	B3

85176952	Receiver specially intended for simultaneous translation systems	12	B3
85181020	Stands for microphones	12	B3
85185020	Paging systems of the kind used specially for fire engines, ambulances, police cars, or civil defense vehicles	12	B3
85189090	Others	12	B3
85221000	Pick up cartridges	12	B3
85232100	Cards incorporating a magnetic stripe	12	B3
85291010	For apparatus of subheadings 85.28.7190 or 85.28.7300	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85291020	Aerials for apparatus of subheading 85.27.2000	12	B3
85311010	Burglar alarms	12	B3
85318040	Bells	12	B3
85319010	Detector	12	B3
85351090	Others	12	B3
85352190	Others	12	B3
85353030	Designed for installation in a structure or on it; instruments which are designed for outdoor installation	12	B3
85353090	Others	12	B3
85354030	Designed for installation in a structure or on it; instruments designed for outdoor installation	12	B3
85354090	Others	12	B3
85359060	Plugs or sockets for lighting or power, having 2 or 3 contacts, as well as adapters or splitters for use with said plugs or sockets; bulb sockets, including those for fluorescent lamps; connectors of the type used in junction boxes installed in a structure	12	B3
85359099	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85361010	Designed for installation in a structure or on it; instruments which are designed for outdoor installation	12	B3
85361099	Others	12	B3
85362010	Designed for installation in a structure or on it; designed for outdoor installation	12	B3
85362030	Semiautomatic switches for the protection of electric circuits, in which the nominal current is not variable and their weight exceeds 60 gr, but does not exceed 150 gr	12	B3
85362099	Others	12	B3
85363010	Designed for installation in a structure or on it; designed for outdoor installation	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85363020	Semiautomatic switches for the protection of electric circuits, in which the nominal current is not variable and their weight exceeds 60 gr, but does not exceed 150 gr	12	B3
85363099	Others	12	B3
85364129	Others	12	B3
85364130	Which are designed for installation in a structure or on it; designed for outdoor installation	12	B3
85364199	Others	12	B3
85364929	Others	12	B3
85364930	Designed for installation in a structure or on it; designed for outdoor installation	12	B3
85364999	Others	12	B3
85365030	Designed for installation in a structure or on it; instruments designed for outdoor installation	12	B3
85366100	Lamp holders	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85366910	Plugs or sockets for lighting or power, having 2 or 3 contacts, as well as adapters or splitters for use with said plugs or sockets	12	B3
85366929	Others	12	B3
85367090	Others	12	B3
85369019	Others	12	B3
85369040	Screw terminal block of the kind used in junction boxes installed in a structure	12	B3
85369059	Others	12	B3
85369060	Designed for installation in a structure or on it; instruments designed for outdoor installation	12	B3
85369080	Adapters or splitters for use with said plugs or outlets	12	B3
85369099	Others	12	B3
85371090	Others:	12	B3
85372090	Others	12	B3
85381000	Boards, panels, consoles, desks, cabinets and other bases for the goods of heading 85.37, not equipped with their apparatus	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
85389020	Specially for telephone lines or telegraph lines	12	B3
85389090	Others	12	B3
85437011	Integrated in power mixer	12	B3
85437019	Others	12	B3
85437020	Lighting or power apparatus; apparatus designed for installation in a structure or on it; apparatus designed for outdoor installation	12	B3
85437031	Of the kind used for motor vehicles, other than tax	12	B3
85437039	Others	12	B3

85437040	For detecting metals by an electro magnetic system	12	B3
85437059	Others	12	B3
85439031	Of the kind used for motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
85439039	Others	12	B3
85439040	For apparatus of subheading 85.43.7059	12	B3
85442090	Other	12	B5
85444290	Others	12	B5
85444990	Others	12	B3
85446090	Others	12	B5
85472000	Insulating fittings of plastics	12	B3
87079011	Of a permissible gross vehicle weight exceeding 4500 kg	12	B3
87079019	Others	12	B3
87083092	Brakes for the manufacture of goods within the limits of subheading 87.16.1000 (conditional)	12	B3
87089930	Hubs on which noninflatable tires are mounted	12	B3
87099020	Hubs on which non inflatable tires are mounted	12	B3
87141010	Saddles	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
87161000	Trailers and semi trailers of the caravan type, for housing or camping	12	B3
87162000	Self loading or self unloading trailers and semi trailers for agricultural purposes	12	B3
87163190	Others	12	B3
87163990	Others	12	B3
87164090	Others	12	B3
87168020	One wheel barrows	12	B3
87169010	Hubs on which noninflatable tires are mounted	12	B3
88040019	Others	12	B3

89031090	Others	12	B3
89039110	From rubber or plastic, of a length not exceeding 7 m	12	B3
89039121	Of a length not exceeding 7 m	12	B3
89039210	From rubber or plastic, of a length not exceeding 7 m	12	B3
89039221	Of a length not exceeding 7 m	12	B3
89039230	Marine jets	12	B3
89039910	From rubber or plastic, of a length not exceeding 7 m	12	B3
89039921	Of a length not exceeding 7 m	12	B3
89039930	Marine jets	12	B3
89069019	Others	12	B3
89080000	Vessels and other floating structures for breaking up.	12*	B3
90013000	Contact lenses	12	B3
90014000	Spectacle lenses of glass	12	B3
90015000	Spectacle lenses of other materials	12	B3
90031100	Of plastics	12	B3
90031900	Of other materials	12	B3
90039000	Parts	12	B3
90051000	Binoculars (efta) (eu)	12	B3
90058090	Others	12	B3
90059090	Others	12	B3
90069100	For cameras	12	B3
90069990	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
90079100	For cameras	12	B3
90079290	Others	12	B3
90158090	Others	8	B3
90173099	Others	12	B3
90178092	Flexible metal measuring tapes, of a length not exceeding 7 m and of a width not exceeding 20 mm	12	B3
90178099	Others	12	B3

90184910	Burrs, disks, drill bits, and brushes specially designed for the use in dental drills; instruments for gold and other fillings; impression compound trays; tools and instruments of the kind used in prosthetic dentistry	6	B7
90189010	Spatulae (medical)	12	B3
90191011	For preventing bedsores, composed of mattress with two systems of pipes, which inflate and exhaust in a certain rhythm and pressure, and a compressor with devices for adjusting pressure and rhythm of inflating and exhausting of the pipes	12	B3
90191012	Apparatus for underwater massage	12	B3
90191019	Others	12	B3
90200010	Devices for underwater breathing (aqualungs)	12	B3
90212110	Dentures	12	B3
90251120	Other clinical thermometers	12	B3
90251190	Others	12	B3
90278053	For photography or cinematography	12	B3
90283000	Electricity meters	12	B3
90311090	Others	12	B3
90321021	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
90321029	Others	12	B3
90328111	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
90328119	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
90328911	Of the kind used for motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
90328912	Others, in motor vehicles	12	B3

90328921	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
90328929	Others	12	B3
90329012	Of the kind used in motor vehicles, other than tax exempted tractors, for forklifts or vehicles which move on rails	12	B3
90329019	Others	12	B3
91069011	Of the kind specially made for installation in instruments	12	B3
91069092	Parking meters	12	B3
91101100	Complete movements, unassembled or partly assembled (movement sets)	12	B3
91101200	Incomplete movements, assembled	12	B3
91109000	Other	12	B3
93069010	Bullets	12	B3
94011000	Seats of a kind used for aircraft	12	B3
94014010	Made wholly or mainly from plastic	12	B3
94014090	Others	12	B3
94015000	Seats of cane, osier, bamboo or similar materials	12	B3
94015200	Of bamboo or rattan	12	B3
94015300	Of bamboo or rattan	12	B3
94015900	Other	12	B3
94016110	Chair or seat for a night pot	12	B7
94016190	Others	12	B7
94016910	Chair or seat for a night pot	12	B7
94016990	Others	12	B7
94017120	Chair or seat for a night pot	12	B3
94017190	Others	12	B3
94017910	Chair or seat for a night pot	12	B7
94017990	Others	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
94018020	Chair or seat for a night pot	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
94018030	Made wholly or mainly from plastic	12	B7
94018090	Others	12	B7
94021090	Others	12	B3
94029090	Others	12	B3
94031000	Metal furniture of a kind used in offices	12	B7
94032011	The sink or wash basin	12*	B7
94032019	The furniture without the sink or the wash basin	12	B7
94032090	Others	12	B7
94033000	Wooden furniture of a kind used in offices	12	B7
94034011	Sink or a wash basin	12*	B7
94034019	The furniture without the sink or the wash basin	12	B7
94034090	Others	12	B7
94035000	Wooden furniture of a kind used in the bedroom	12	B7
94036011	Sink or a wash basin	12*	B7
94036019	The furniture without the sink or the wash basin	12	B7
94036090	Others	12	B7
94037011	Sink or a wash basin	12*	B7
94037019	The furniture without the sink or the wash basin	12	B7
94037090	Others	12	B7
94038200	Of bamboo or rattan	12	B3
94038300	Of bamboo or rattan	12	B3
94038911	Sink or the wash basin	12*	B7
94038912	The furniture without the sink or the wash basin	12	B7
94038919	Others	12	B7
94038990	Others	12	B7
94039000	Parts:	12	B7
94041000	Mattresses supports.	12	B3
94042190	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
94042900	Of other materials	12	B7

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
94043000	Sleeping bags	12	B3
94049029	Others	12	B7
94049090	Others	12	B7
94051031	The bulbs	12*	B3
94051090	Others	10	B3
94052021	The bulbs	12*	B3
94053000	Lighting sets of a kind used for christmas trees	12	B3
94054041	Bulbs	12*	B3
94059100	Of glass	12	B3
94060000	Prefabricated buildings.	10	B7
95030030	Purses or wallets	12*	B7
95042000	Articles and accessories for billiards of all kinds	12	B3
95043000	Other games, operated by coins, banknotes, bank cards, tokens or by any other means of payment, other than automatic bowling alley equipment	12	B3
95044000	Playing cards	12	B3
95045000	Video game consoles and machines, other than those of subheading	12	B3
95049000	Other	12	B3
95059000	Other	12	B3
95079000	Other	12	B3
95081000	Travelling circuses and travelling menageries	12	B3
95089090	Other	12	B3
96011000	Worked ivory and articles of ivory	12	B3
96019000	Other	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
96020010	Busts, heads, images, statues, or statuettes made of wax, of the kind used for display in show windows or in museums	12	B3
96031000	Brooms and brushes, consisting of twigs or other vegetable materials bound together, with or without handles	12	B3
96032110	Which are parts of instruments	12	B3
96032190	Others	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
96032911	Which are parts of instruments	12	B3
96032919	Others	12	B3
96032991	Which are parts of instruments	12	B3
96032999	Others	12	B3
96033000	Artists' brushes, writing brushes and similar brushes for the application of cosmetics	12	B3
96034000	Paint, distemper, varnish or similar brushes (other than brushes of subheading 96.03.30); paint pads and rollers.	12	B3
96035010	With birstles made of steel or copper wire, where the weight of each one exceeds 150 gr but does not exceed 4000 gr	12	B3
96035099	Others	12	B3
96039090	Others	12	B3
96050010	Which include brushes	12	B3
96050091	Packed in containers made of textile fabric or containing textile fabric	12	B3
96050092	Packed in containers whose outer layer is made of leather	12	B3
96050099	Others	12	B3
96062100	Of plastics, not covered with textile material	12	B3
96063000	Button moulds and other parts of buttons; button blanks	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
96071100	Fitted with chain scoops of base metal	12	B3
96071900	Other	12	B3
96072010	One side of slide fastener	12	B3
96072090	Others	12	B3
96082000	Felt tipped and other porous tipped pens and markers	12	B7
96083010	Indian ink drawing pens	12	B3
96084000	Propelling or sliding pencils	12	B3
96085000	Sets of articles from two or more of the foregoing subheadings	12	B3
96086000	Refills for ball point pens, comprising the ball point and ink reservoir	12	B3
96089100	Pen nibs and nib points	12	B3

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
96089910	Parts for ball point pens and refills for ball point pens	12	B3
96089990	Others	12	B3
96091010	The sheath thickness exceeding 1 mm	12	B3
96091090	Others	12	B3
96092090	Others	12	B3
96099010	Writing or drawing chalk	12	B3
96099090	Others	12	B3
96100000	Slates and boards, with writing or drawing surfaces, whether or not framed	12	B7
96110000	Date, sealing or numbering stamps, and the like (including devices for printing or embossing labels), designed for operating in the hand; hand operated composing sticks and hand printing sets incorporating such composing sticks.	12	B3
96139010	For lighters of the kind used in motor vehicles	12	B3
96139090	Others	12	B3

96140010	Roughly shaped blocks of wood or of roots for the manufacture of pipes of the kind used for pipes and pipe bowls	12	B3
96140090	Others	12	B3
96151100	Of hard rubber or plastics	12	B3
96151900	Other	12	B3
96159010	Ornaments and fancy goods, which are not imitation jewellery of plastics	12	B3
96159020	Others, made of iron, steel or aluminium	12	B3
96159091	Imitation jewellery	12	B3
96159099	Others	12	B3
96170000	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners.	12	B3
96180090	Others	12	B3
96190030	Of plastic	12	B3
96190040	Others of paper, or of paper pulp	12	B3
96190050	Diapers and cloathing parts of other materials	12	B3
97019030	Others, of wood.	12	B3
ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY
97019050	Incorporated with printed matter	12	B3
97019060	Of copper	12	B3
97019090	Others	12	B3
97060091	Furniture	12	B3

SECTION B: TARIFF ELIMINATION IN PANAMA FOR THE ORIGINATING GOODS OF ISRAEL

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
2501.00.10.00	Sodium chloride with a purity of 99.9 % or more	15	B5
2501.00.20.00	Refined salt	15	D15
2501.00.30.00	Table or kitchen salt	81	D15
2501.00.91.00	Prepared for animal feed	15	D15
2501.00.99.00	Other	81	D15
2523.21.00.00	White cement, whether or not artificially coloured	10	B5
2523.29.00.00	Other	10	C10
2530.90.10.00	Natural cryolite; natural chiolite	10	B5
2530.90.90.00	Other	5	B5
2601.11.00.00	Nonagglomerated	10	B5
2701.19.00.00	Other coal	10	B5
2701.20.00.00	Briquettes, ovoids and similar solid fuels manufactured from coal	10	B5
2702.10.00.00	Lignites, whether or not pulverised, but not agglomerated	10	B5
2702.20.00.00	Agglomerated lignites	10	B5
2703.00.00.00	Peat (including peat litter), whether or not agglomerated	10	B5
2704.00.10.00	Coke of coal	15	B5
2704.00.90.00	Other	10	B5
2705.00.00.00	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons	15	B5
2706.00.00.00	Tars distilled from coal, from lignite or from peat, and other mineral tars, whether or not dehydrated or partially distilled, including reconstituted tars	15	B5
2707.50.00.00	Other aromatic hydrocarbon mixtures of which 65 % or more by volume (including losses) distils at 250 °C by the ASTM D 86 method	15	B5
2707.91.00.00	Creosote oils	10	B5
2707.99.10.00	Phenols	15	B5
2708.10.00.00	Pitch	10	B5
2708.20.00.00	Pitch coke	10	B5
2710.19.22.00	Fuel oil No. 6 (Bunker C)	30	B5
2710.19.29.00	Other	30	B5

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
2710.19.92.00	Liquids for hydraulic systems	10	B5
2710.19.94.00	Brake and hydraulic transmission fluids	10	B5

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
2710.19.95.00	Lubricating greases	5	B5
2710.19.96.00	Spindle oils	5	B5
2710.19.99.00	Other	5	B5
2710.20.00.00	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils	5	B5
2710.91.90.00	Other	10	B5
2712.10.00.00	Petroleum jelly	10	B5
2712.90.90.00	Other	10	B5
2713.12.00.00	Calcined	10	B5
2713.20.00.00	Petroleum bitumen	10	B5
2713.90.00.00	Other residues of petroleum oils or of oils obtained from bituminous minerals	10	B5
2714.10.00.00	Bituminous or oil shales and tar sands	10	B5
2714.90.00.00	Other	10	B5
2715.00.90.00	Other	10	B5
2804.40.00.00	Oxygen	15	C10
2915.21.00.00	Acetic acid	5	B5
3204.11.11.00	On a backing of polyolefins	15	C10
3215.90.10.00	Inks for tattooing (marking) animals	5	B5
3215.90.90.00	Other	10	C10
3305.90.90.00	Other	6	B5
3307.30.00.00	Perfumed bath salts and other bath preparations	6	B5

3401.11.10.00	Bath, beauty or scented soap, whether or not containing abrasives, deodorant soap, glycerine bath soap, whether or not containing bacteriostatic substances; organic surface-active preparations used as bath, beauty or deodorant soap, whether or not containing bacteriostatic substances	10	C10
3401.11.30.00	Paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent	5	B5
3401.11.40.00	Paper, wadding, felt and nonwovens, impregnated or covered with soap or detergent for cosmetic use	6	B5
3401.11.90.00	Other	6	B5
3401.19.10.00	Soaps and products used as soaps, for washing	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
3401.19.20.00	Gelatinised, used as lubricating material	6	B5
3401.19.40.00	With abrasives	15	C10
3401.19.90.00	Other	6	B5
3401.20.10.00	Liquid soap, medicated (other than disinfectant)	15	C10
3401.20.20.00	For cosmetic use, whether or not containing bacteriostatic substances	15	C10
3401.20.90.00	Other	15	C10
3401.30.90.00	Other	15	C10
3402.11.21.00	Liquids or pastes	15	C10
3402.11.29.00	Other	15	C10
3402.12.21.00	Liquids or pastes	15	C10
3402.12.29.00	Other	15	C10
3402.13.21.00	Liquids or pastes	15	C10
3402.13.29.00	Other	15	C10
3402.19.21.00	Liquids or pastes	6	B5
3402.19.29.00	Other	15	C10
3402.20.11.00	Liquids, other than cleaning and de-greasing preparations for glass (glass windscreens or window glass) based on quaternary ammonium and other surface-active agents	10	C10
3402.20.12.00	In powder, flakes, shavings, granules and globules	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
3402.20.13.00	Cleaning and de-greasing preparations for glass (glass windscreens or window glass) based on quaternary ammonium	10	C10
3402.20.21.00	Preparations for pre-washing or soaking; bleaching agents for clothes	5	B5
3402.20.30.00	Cleaning or de-greasing preparations, other than those based on soap or other organic surface-active agents	15	C10
3402.90.10.00	Adjuvants for dyeing and brightening of textiles	6	B5
3402.90.21.00	Liquids, other than in aerosols	10	C10
3402.90.22.00	In powder, flakes, shavings, granules and globules	10	C10
3402.90.30.00	Auxiliary preparations for pre-washing or bleaching textile products	10	C10
3402.90.40.00	Cleaning or de-greasing preparations, other than those based on soap or other organic surface-active agents	15	C10
3506.10.00.00	Products of any kind suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
3701.10.00.00	For Xray	6	B5
3801.90.00.00	Other	6	B5
3812.20.00.00	Compound plasticisers for rubber or plastics	6	B5
3820.00.00.00	Antifreezing preparations and prepared deicing fluids	6	B5
3824.99.10.00	Antiscalming preparations, antirust preparations	15	C10
3824.99.20.00	Waterinsoluble petroleum sulfonates	6	B5
3824.99.40.00	Ink removers; stencil correctors; correction fluids	6	B5
3825.90.00.00	Other	6	B5
3917.21.20.00	With a diameter not exceeding 4 inches, except for irrigation systems	10	C10
3917.39.10.00	With fittings	6	B5
3918.90.10.00	Slabs, floor tiles and other tiles	5	B5
3918.90.20.00	Other floor coverings, in rolls	6	B5
3919.10.10.00	Of a width not exceeding 10 cm	5	B5
3920.10.90.00	Other	15	C10

3920.30.90.00	Other	15	C10
3920.59.90.00	Other	10	C10
3922.10.11.00	For babies	6	C10
3922.10.12.00	Other, of glass fibre agglomerated with plastic resins	6	C10
3922.20.00.00	Lavatory seats and covers	6	B5
3923.10.10.00	Boxes with divisions for bottles	10	C10
3923.10.20.00	Buckets	10	C10
3923.21.10.00	Heatshrinkable multilayer or extruded bags ("cryo-vac" and the like)	15	C10
3923.21.20.00	Aseptic bags multilaminated by thermal bonding, with a hermetic filling device and clasp, of an external diameter of no less than 30 mm and a capacity of no less than 5 kilos	15	C10
3923.21.90.00	Other	15	C10
3923.29.10.00	Heatshrinkable multilayer or extruded bags ("cryo-vac" and the like)	15	C10
3923.29.90.00	Other	5	C10
3923.30.90.00	Other	15	C10
3923.50.90.00	Other	15	B5
3924.10.20.00	Disposable cups of 6 to 14 ounces	15	B5
3924.10.30.00	Disposable spoons and forks	15	C10
3924.10.40.00	Decorative trays, containers with "tupperware" type press-on lids	10	B5

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
3924.10.81.00	Tableware, kitchenware items	10	C10
3924.10.90.00	Other	10	C10
3924.90.15.00	Rubbish bins and waste paper baskets, laundry baskets and similar items	5	B5
3924.90.19.00	Other	5	B5
3924.90.29.00	Other	6	B5
3924.90.90.00	Other	6	B5
3925.30.31.00	Blinds, including venetian blinds	6	B5
3925.30.90.00	Other	6	B5
3926.90.92.00	Covered seats and protective covers for furniture or cars	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
4004.00.00.00	Waste, parings and scrap of rubber (other than hard rubber) and powders and granules obtained therefrom	15	C10
4011.80.19.00	Other	15	C10
4012.13.00.00	Of a kind used on aircraft	10	C10
4013.10.00.00	Of a kind used on motor cars (including family type (break or station wagon) and racing cars), buses or lorries	15	C10
4016.10.90.00	Other	15	C10
4107.91.00.00	Full grains, unsplit	15	C10
4107.99.00.00	Other	15	C10
4113.90.00.00	Other	15	C10
4201.00.00.00	Saddlery and harness for any animal (including traces, leads, kneepads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material	15	C10
4303.90.90.00	Other	15	C10
4418.73.00.00	Bamboo or have at least the upper layer of bamboo	10	C10
4418.74.00.00	Other, for mosaic floors	10	C10
4421.91.30.00	Blocks and pins for footwear	15	C10
4421.99.30.00	Blocks and pins for footwear	15	C10
4602.11.00.00	Of bamboo	15	C10
4706.10.00.00	Cotton linters pulp	10	C10
4802.58.19.00	Other	15	C10
4802.62.10.00	In sheets with one side exceeding 360 mm and the other side exceeding 150 mm	15	C10
4802.62.30.00	Carbonising base paper	15	C10
4802.62.40.00	Drawing paper with a weight of not more than 150 g/m ²	15	C10
4802.69.20.00	Carbonising base paper	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
4802.69.30.00	Bond or tablet paper, paper for correspondence and other writing paper	15	C10
4802.69.40.00	Drawing paper with a weight of not more than 150 g/m ²	15	C10
4803.00.20.00	Of the kind use for toilet paper	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
4803.00.90.00	Other	15	C10
4804.21.00.00	Unbleached	15	C10
4804.59.00.00	Other	10	C10
4805.19.19.00	Other	15	C10
4805.19.99.00	Other	10	C10
4805.24.90.00	Other	15	C10
4810.99.90.00	Other	15	C10
4811.41.90.00	Other	10	C10
4811.49.90.00	Other	10	C10
4811.59.40.00	Floor coverings on a base of paper or of paperboard, whether or not cut to size.	15	C10
4817.10.00.00	Envelopes	15	C10
4817.20.00.00	Letter envelopes, unnamed postcards and correspondence cards	15	C10
4817.30.00.00	Boxes, pouches, and similar presentations, of paper or paperboard, containing an assortment of paper stationery	15	C10
4818.10.00.00	Toilet paper	10	C10
4818.20.10.00	Handkerchiefs and cleansing or facial tissues	15	B5
4818.20.20.00	Towel paper	10	B5
4818.30.10.00	Serviettes	10	B5
4818.30.20.00	Tablecloths	15	B5
4818.90.10.00	For medical or surgical use	5	B5
4819.10.00.00	Boxes of corrugated paper or paperboard	10	C10
4819.20.20.00	Cartons, boxes and cases, waterproofed with plastic sheeting, paraffin or similar materials	15	C10
4819.60.00.00	Boxes of the kind used in offices, shops or the like	15	C10
4820.10.90.00	Other	15	C10
4820.20.10.00	School notebooks (broad lined, double-lined, for writing, squared, for music and for drawing)	10	C10
4820.20.90.00	Other, including notebooks	10	C10
4820.30.39.00	Other	10	C10
4823.69.10.00	Waxed paper cups, other than those of 3 to 24 ounces	10	B5
4823.69.90.00	Other	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
4823.70.10.00	Moulded articles for packing and transporting eggs	5	B5
4823.70.20.00	Moulds for printing	10	C10
4823.90.70.00	Letters of paper or paperboard	15	C10
4910.00.19.00	Other	15	C10
4911.10.19.00	Other	15	C10
4911.10.20.00	Posters, flyers and other printed advertising material, for cinema films or video films	10	C10
4911.10.99.00	Other	15	C10
4911.99.10.00	Lottery scratch cards	15	C10
5701.10.00.00	Of wool or fine animal hair	5	B5
5701.90.00.00	Of other textile materials	5	B5
5705.00.10.00	Of wool or fine animal hair, whether or not made up	10	C10
5705.00.20.00	Other, made up, for motor vehicles	15	C10
5705.00.30.00	Made up bath mats	10	C10
5705.00.40.00	Other, of vegetable fibres of chapter 53	15	C10
5907.00.10.00	Painted canvas	15	C10
6103.39.00.00	Of other textile materials	10	C10
6104.39.00.00	Of other textile materials	10	C10
6104.53.00.00	Of synthetic fibers	10	C10
6104.59.00.00	Of other textile materials	10	C10
6104.62.00.00	Of cotton	10	C10
6107.19.10.00	Men's	10	C10
6107.19.20.00	Boys'	15	C10
6108.21.00.00	Of cotton	15	C10
6108.91.00.00	Of cotton	15	C10
6108.99.00.00	Of other textile materials	15	C10
6109.90.00.00 AA	White and without prints	10	B5
6110.30.00.00	Of manmade fibers	10	C10
6112.20.00.00	Overalls and ski suits	10	C10
6114.20.00.00	Of cotton	10	C10
6114.30.00.00	Of manmade fibers	10	C10
6114.90.00.00	Of other textile materials	10	C10
6115.95.00.00	Of cotton	10	B5

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
6117.10.00.00	Shawls, scarves, mufflers, mantillas, veils and the like	15	C10
6201.93.00.00	Of manmade fibers	10	C10
6202.99.00.00	Of other textile materials	10	C10
6203.33.10.00	Camisillas, guayaberas and other shirts	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
6203.33.90.00	Other	10	C10
6203.39.10.00	Camisillas, guayaberas and other shirts	15	C10
6203.39.90.00	Other	10	C10
6204.33.00.00	Of synthetic fibers	5	B5
6204.39.00.00	Of other textile materials	5	B5
6210.40.00.00	Other men's or boys' garments	10	C10
6210.50.00.00	Other women's or girls' garments	10	C10
6211.32.90.00	Other	10	C10
6211.39.10.00	Aprons and smock-overalls for medical and surgical uses	5	B5
6211.43.90.00	Other	10	C10
6211.49.10.00	Of wool or fine animal hair	5	B5
6212.30.00.00	Corselettes	10	C10
6212.90.10.00	Braces, suspenders and garters	10	C10
6212.90.90.00	Other	15	C10
6214.20.00.00	Of wool or fine animal hair	10	C10
6214.30.00.00	Of synthetic fibers	10	C10
6301.20.00.00	Blankets (other than electric blankets) and travelling rugs, of wool or of fine animal hair	10	C10
6302.10.00.00	Bed linen, knitted or crocheted	10	C10
6302.21.00.00	Of cotton	10	C10
6302.40.00.00	Table linen, knitted or crocheted	15	C10
6302.51.00.00	Of cotton	10	C10
6302.59.10.00	Of linen	10	C10
6302.59.90.00	Other	10	C10
6302.60.00.00	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
6302.91.10.00	Of toilet:	5	B5
6302.91.20.00	Kitchen linen	10	C10
6303.12.00.00	Of synthetic fibers	15	C10
6303.91.00.00	Of cotton	15	C10
6303.92.00.00	Of synthetic fibers	15	C10
6305.10.00.00	Of jute or of other textile bast fibers of heading 53.03	15	C10
6305.32.00.00	Flexible intermediate bulk containers	15	C10
6305.33.00.00	Other, of polyethylene or polypropylene strip or the like	15	C10
6305.39.00.00	Other	15	C10
6305.90.00.00	Of other textile materials	15	C10
6306.12.00.00	Of synthetic fibers	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
6306.29.10.00	Of cotton	10	C10
6306.29.90.00	Other	10	C10
6307.20.00.00	Life-jackets and life-belts	15	C10
6307.90.30.00	Safety reflective strip	15	C10
6307.90.40.00	Cushions and pincushions	10	C10
6307.90.91.00	Other, of nonwovens	15	C10
6310.10.00.00	Sorted	5	B5
6401.92.00.00	Covering the ankle but not covering the knee	10	C10
6402.19.00.00	Other	5	B5
6403.19.00.00	Other	5	B5
6403.99.10.00	Footwear made on a base or platform of wood, not having an inner sole or a protective metal toecap	5	B5
6403.99.20.00	Indoor footwear	10	C10
6403.99.91.00	Infants' footwear	15	C10
6403.99.92.00	Boys' or girls' footwear, of a cif value not exceeding b/20.00 per pair	10	C10
6403.99.93.00	Boys' or girls' footwear, of a cif value exceeding b/20.00 per pair	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
6403.99.94.00	Women's footwear, of a cif value not exceeding b/30.00 per pair	10	C10
6403.99.95.00	Women's' footwear, of a cif value exceeding b/30.00 per pair	5	B5
6403.99.96.00	Men's footwear, of a cif value not exceeding b/30.00 per pair	10	C10
6403.99.97.00	Men's' footwear, of a cif value exceeding b/30.00 per pair	5	B5
6403.99.98.00	Footwear made on a base or platform of wood, not having an inner sole or a protective metal toe-cap	15	C10
6404.19.10.00	Overshoes with outer soles of plastics	5	B5
6506.99.90.00	Other	10	B5
6507.00.00.00	Headbands, linings, covers, hat foundations, hat frames, peaks and chinstraps, for headgear	15	B5
6801.00.00.00	Sets, curbstones and flagstones, of natural stone (except slate)	10	C10
6806.90.00.00	Other	10	C10
6809.19.00.00	Other	10	C10
6809.90.90.00	Other	5	B5
6810.11.00.00	Building blocks and bricks	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
6815.20.00.00	Articles of peat	15	C10
6905.90.00.00	Other	15	C10
6910.90.00.00 AA	Toilet seats	10	C10
6912.00.90.00	Other	15	C10
6914.10.00.00	Of porcelain or china	15	C10
7005.29.11.00	Slatted	10	C10
7011.10.00.00	For electric lighting	10	C10
7015.10.00.00	Glasses for corrective spectacles	10	C10
7019.90.00.00	Other	10	C10
7020.00.10.00	Glass inners for vacuum flasks or for other vacuum vessels	15	C10
7104.90.00.00	Other	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
7105.90.00.00	Other	10	C10
7113.11.00.00	Of silver, whether or not plated or clad with other precious metal	10	C10
7113.20.00.00	Of base metal clad with precious metal	10	C10
7114.11.00.00	Of silver, whether or not plated or clad with other precious metal	10	C10
7114.20.00.00	Of base metal clad with precious metal	10	C10
7117.90.10.00	Cuff links and studs and the like of any material other than of base metal	15	C10
7117.90.20.00	Other, made of at least two different materials, without the individual linking devices	10	C10
7117.90.31.00	Of ivory	15	C10
7117.90.32.00	Of tortoise shell	15	C10
7117.90.39.00	Other	15	C10
7117.90.41.00	Of plastics	10	C10
7117.90.42.00	Of wood	15	C10
7117.90.43.00	Of monumental or building stone, other than precious or semi-precious stone	15	C10
7117.90.44.00	Of porcelain or china	10	C10
7117.90.45.00	Of other ceramic materials	15	C10
7117.90.46.00	Of glass	15	C10
7117.90.47.00	Of vegetable carving material, except wood; of other unspecified mineral carving materials	10	C10
7117.90.49.00	Other	10	C10
7202.80.00.00	Ferrotungsten and ferrosilicotungsten	15	C10
7206.90.00.00	Other	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
7208.90.00.00	Other	15	C10
7219.90.00.00	Other	15	C10
7304.29.00.00	Other	10	C10
7306.11.00.00	Welded, of stainless steel	10	C10
7308.10.00.00	Bridges and parts thereof	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
7308.90.10.00	Gates	10	C10
7308.90.40.00	Other prefabricated structures, other than those of heading 94.06	15	B5
7308.90.90.00	Other	10	C10
7309.00.90.00	Other	15	C10
7314.31.10.00	Mesh for screens, of the kind used in quarries	10	C10
7314.31.20.00	Metal mesh suitable for protecting against insects	10	C10
7314.31.30.00	Fencing mesh (other than for chicken coops)	15	C10
7314.31.40.00	Mesh for chicken coops	10	C10
7314.31.90.00	Other	15	C10
7315.90.00.00	Other parts	15	C10
7318.11.00.00	Coach screws	10	C10
7318.16.00.00	Nuts	10	C10
7318.22.00.00	Other washers	10	C10
7319.90.90.00	Other	10	C10
7321.90.10.00	Of cookers	15	C10
7321.90.90.00	Other	15	C10
7322.19.00.00	Other	15	C10
7323.93.10.00	Handles	10	C10
7323.93.20.00	Other parts	10	C10
7323.93.90.00	Other	10	C10
7325.99.10.00	Articles for pipelines	15	C10
7326.90.50.00	Clamps, collars, support clips for pipes, flexible joints, suspension grips, anchoring grips and similar gear	10	C10
7326.90.60.00	Bathroom cabinets, with or without mirror	10	C10
7403.13.00.00	Billets	15	C10
7403.19.00.00	Other	15	C10
7405.00.00.00	Master alloys of copper	15	C10
7407.21.00.00	Copperzinc base alloys (brass)	10	C10
7407.29.11.00	Hollow bars	10	C10
7407.29.19.00	Other	10	C10
7409.19.00.00	Other	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
7409.29.00.00	Other	15	C10
7409.90.00.00	Of other copper alloys	15	C10
7410.21.00.00	Of refined copper	15	C10
7410.22.00.00	Of copper alloys	15	C10
7411.10.00.00	Of refined copper	10	C10
7412.10.00.00	Of refined copper	10	C10
7415.39.00.00	Other	15	C10
7419.10.00.00	Chain and parts thereof	15	C10
7502.20.00.00	Nickel alloys	10	C10
7504.00.00.00	Nickel powders and flakes	15	C10
7602.00.00.00	Aluminium waste and scrap	10	C10
7604.29.20.00	Beams for shuttering	10	B5
7604.29.90.00	Other	10	C10
7606.11.10.00	Of rectangular (other than square) cross-section, of a thickness not exceeding 6 mm, of a width not exceeding 500 mm and of a thickness not exceeding one-tenth of the width (hoop and strip)	15	B5
7606.11.20.00	Other plates, sheets and strips, perforated, corrugated or fluted	10	B5
7606.12.20.00	Embossed strip in rolls of a thickness not exceeding 1.25 mm and a width of 110 cm of alloy 1100	10	B5
7606.91.10.00	Discs, whether or not perforated, with a diameter not exceeding 45 mm	10	B5
7606.91.90.00	Other	15	B5
7606.92.10.00	Other plates, sheets and strips, perforated, corrugated or fluted	10	C10
7607.19.90.00	Other	10	C10
7610.10.10.00	Frames for doors and windows and thresholds for doors	10	C10
7610.10.20.00	Doors and windows, with or without glass	15	C10
7610.10.90.00	Other	10	C10
7610.90.10.00	Profiles prepared for suspended ceilings	10	C10
7610.90.20.00	Balustrades and parts thereof	15	C10
7610.90.50.00	Other structures (partitions, columns, pillars, towers, posts, etc.) other than parts thereof	15	B5

7610.90.99.00	Other parts and components prepared for use in structures	5	B5
7613.00.90.00	Other	10	C10
7614.10.00.00	With steel core	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
7616.99.10.00	Chain and parts thereof	10	C10
7616.99.20.00	Blunt staples	15	C10
7804.19.00.00	Other	15	C10
7806.00.10.00	Lead bars, rods, profiles and wire	15	C10
7806.00.91.00	Lead bars, rods, profiles and wire	10	C10
7806.00.92.00	Lead tubes, pipes and hoses, and fittings therefor (for example: couplings, elbows, sleeves)	10	C10
7806.00.99.00	Other	15	C10
7901.11.00.00	Containing by weight 99.99 % or more of zinc	15	C10
8101.97.00.00	Waste and scrap	10	C10
8103.20.00.00	Unwrought tantalum, including bars and rods obtained simply by sintering; powder	15	C10
8103.90.00.00	Other	15	C10
8104.20.00.00	Waste and scrap	10	C10
8104.90.10.00	Bars, rods, plates, sheets, profiles, wire, tubes and pipes	15	C10
8104.90.20.00	Cloth, grill and netting	10	C10
8104.90.30.00	Bolts, screws, nuts, washers, hook-nails and similar articles	15	C10
8104.90.41.00	Of a capacity not exceeding 300 litres	15	C10
8104.90.49.00	Other	15	C10
8104.90.90.00	Other	15	C10
8108.30.00.00	Waste and scrap	10	C10
8109.20.00.00	Unwrought zirconium; powders	15	C10
8113.00.10.00	Waste and scrap	10	C10
8113.00.20.00	Unwrought	15	C10
8204.20.00.00	Interchangeable spanner sockets, with or without handles	10	C10
8205.40.00.00	Screwdrivers	10	C10
8205.59.10.00	Chisels of a length of 10 cm or more but not more than 25 cm	5	B5
8205.90.11.00	Of copper or copper alloys	15	C10
8205.90.19.00	Other	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8206.00.00.00	Tools of two or more of the heading 82.02 to 82.05, put up in sets for retail sale	10	C10
8210.00.10.00	Maize (corn) mills	15	C10
8210.00.90.00	Other	15	C10
8215.99.00.00	Other	10	C10
8301.40.10.00	Patch locks and surface locks, with one or two horizontal bolts, for doors with handles on the inside only	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8301.40.20.00	Handle locks operated by a key on the outside and a button on the inside	10	C10
8301.40.90.00	Other	10	C10
8310.00.00.00	Signplates, nameplates, addressplates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading 94.05	15	C10
8406.10.00.00	Turbines for marine propulsion	15	C10
8407.34.00.00	Of a cylinder capacity exceeding 1,000 cm ³	5	B5
8407.90.00.00	Other engines	10	C10
8414.51.00.00	Table, floor, wall, window, ceiling or roof fans, with a selfcontained electric motor of an output not exceeding 125 W	5	B5
8414.90.10.00	For fans of tariff subheading 8414.51.00	15	C10
8415.10.00.00 AA	Presented disassembled or not yet assembled (disassembled)	10	C10
8415.82.00.00 AA	Other, whether dismantled or not yet assembled (disassembled)	10	C10
8415.90.10.00	For use mainly with the motor vehicles of chapter 87	5	B5
8416.90.00.00	Parts	15	C10
8418.91.00.00	Furniture designed to receive refrigerating or freezing equipment	15	C10
8422.19.00.00	Other	15	C10
8425.31.10.00	Pithead winding gear; winches specially designed for use in the interior of mines	5	B5
8425.39.10.00	Pithead winding gear; winches specially designed for use in the interior of mines	5	B5

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8426.30.10.00	Fixed lifting cranes, having a loading capacity not exceeding 20 t	5	B5
8426.30.90.00	Other	5	B5
8428.90.10.00	Mine wagon pushers, locomotive or wagon traversers, wagon tippers and similar railway wagon handling equipment	10	C10
8429.52.00.00 AA	Backhoe loaders, shovels, jaw buckets and dredges	5	B5
8433.90.10.00	Of lawn mowers	10	C10
8436.80.10.00	Bee-keeping machines	10	C10
8443.99.90.00	Other	15	C10
8451.40.00.00	Washing, bleaching or dyeing machines	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8472.30.00.00	Machines for sorting or folding mail or for inserting mail in envelopes or bands, machines for opening, closing or sealing mail and machines for affixing or cancelling postage stamps	15	C10
8476.21.00.00	Incorporating heating or refrigerating devices	15	C10
8505.11.00.00	Of metal	15	C10
8506.80.19.00	Other	5	B5
8506.80.20.00	Having an external volume exceeding 300 cm ³	5	B5
8507.10.00.00	Of leadacid, of the kind used for starting piston engines	15	C10
8507.20.00.00	Other leadacid accumulators	15	C10
8507.30.00.00	Of nickelcadmium	15	C10
8507.40.00.00	Of nickeliron	15	C10
8507.60.00.00	Of lithium-ion	15	C10
8510.90.10.00	For shaving appliances	10	C10
8510.90.20.00	For animal shearing appliances	15	C10
8510.90.90.00	Other	15	C10
8511.80.00.00	Other machinery and equipment	5	B5
8512.10.00.00	Lighting or visual signalling equipment of the kind used on bicycles	10	C10
8513.90.00.00	Parts	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8514.30.10.00	Resistance heated furnaces and ovens (direct heating), for a temperature not exceeding 900 °C, other than laboratory furnaces and ovens	10	C10
8516.10.19.00	Other	15	C10
8516.10.29.00	Other	15	C10
8516.32.00.00	Other hairdressing apparatus	10	C10
8516.33.00.00	Handdrying apparatus	15	C10
8516.50.00.00	Microwave ovens	10	C10
8516.80.10.00	For electric irons	10	C10
8523.59.90.00	Other	15	C10
8523.80.29.00	Other	15	C10
8523.80.31.00	Long-playing records	15	C10
8523.80.39.00	Other records	10	C10
8523.80.40.00	Matrices and masters	15	C10
8523.80.91.00	Unrecorded	10	C10
8523.80.99.00	Other	5	B5
8525.60.20.00	For television stations	15	C10
8527.91.90.00	Other	5	B5

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8527.99.10.00	Fully disassembled (CKD), put up in kits	10	C10
8527.99.90.00	Other	10	C10
8528.42.00.00	Apt to be connected directly and designed for use with an automatic processing game data 8471	5	B5
8529.90.11.00	For broadcasting stations (radio)	5	B5
8531.80.10.00	Electric bells, buzzers, door chimes, etc.	15	C10
8531.80.20.00	Other electrical bells, buzzers, door chimes and similar	10	C10
8531.80.30.00	Other indicator light panels	15	C10
8531.80.40.00	Sirens	10	C10
8535.90.00.00 AA	Junction boxes, connection or distribution	10	C10
8540.20.00.00	Television camera tubes; image converters and intensifiers; other photocathode tubes	10	C10
8540.89.00.00	Other	10	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
8540.99.00.00	Other	10	C10
8543.90.10.00	Electronic microassemblies	10	C10
8543.90.20.00	For synchronisers	15	C10
8543.90.30.00	Electronic microassemblies	10	C10
8548.10.10.00	Of lead	10	C10
8548.10.90.00	Other	10	C10
8609.00.12.00	Other of metal, for the transport of fluids with a capacity exceeding 500 litres	15	C10
8609.00.19.00	Other	15	C10
8609.00.90.00	Other	15	C10
8708.10.00.00	Bumpers and parts thereof	5	B5
8708.40.20.00	Parts	5	B5
8716.10.00.00	Trailers and semitrailers of the caravan type, for housing or camping	15	C10
9002.90.10.00	Optical mirrors, for equipment, instruments or apparatus	15	C10
9002.90.90.00	Other	10	C10
9003.11.00.00	Of plastics	10	C10
9006.91.00.00	For photographic cameras	10	C10
9008.90.00.00	Other	15	C10
9010.50.20.00	Tanks for developing and washing film, etc.	15	C10
9010.60.00.00	Projection screens	15	C10
9010.90.00.00	Parts and accessories	15	C10
9011.20.00.00	Other microscopes, for photomicrography, cinephotomicrography or microprojection	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
9011.90.00.00	Parts and accessories	15	C10
9013.80.10.00	Magnifier lenses and threadcounters	15	C10
9013.80.90.00	Other	15	C10
9013.90.90.00	Other	15	C10
9014.80.19.00	Other	15	C10
9014.80.90.00	Other	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
9015.40.00.00	Photogrammetrical surveying instruments and appliances	10	C10
9020.00.00.00 AA	Gas masks and parts thereof	15	C10
9022.14.00.00	Other, for medical, surgical or veterinary uses	15	C10
9022.30.00.00	Xray tubes	15	C10
9022.90.20.00	Lead-covered protective shields, for x-ray examinations	5	B5
9022.90.90.00	Other	15	C10
9028.30.10.00	Electromagnetic induction supply meters, with 4, 5 or 6 terminals, for a current not exceeding 100 A	10	C10
9028.30.90.00	Other	10	C10
9028.90.10.00	For electricity meters	15	C10
9030.32.00.00	Multimeters, with a recording device	15	C10
9030.90.90.00	Other	15	C10
9031.49.10.00	Profile projectors	5	B5
9031.80.00.00 AA	Sine bars	10	C10
9031.80.00.00 BB	Levels	10	C10
9031.80.00.00 CC	Plumb-lines	10	C10
9101.11.00.00	With mechanical display only	10	C10
9101.21.00.00	Automatic	10	C10
9105.99.00.00	Other	10	C10
9106.10.00.00	Attendance registers; timeregisters and timerecorders	15	C10
9107.00.00.00	Time switches with clock or watch movement or with synchronous motor	15	C10
9108.19.00.00	Other	15	C10
9109.90.00.00	Other	15	C10
9113.10.00.00	Of precious metal or of metal clad with precious metal	10	C10
9202.90.90.00	Other	10	C10
9301.90.00.00	Other	15	C10
9302.00.00.00	Revolvers and pistols, other than those of heading 93.03 or 93.04	15	C10
9303.10.00.00	Muzzleloading firearms	15	C10
9306.29.00.00	Other	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
9306.90.10.00	Other munitions, projectiles and grenades of war and parts thereof	15	C10
9306.90.20.00	Harpoons and heads for harpoons	10	C10
9306.90.30.00	Parts for water-sport weapons	10	C10
9306.90.90.00	Other	15	C10
9401.30.00.00	Swivel seats with variable height adjustment	15	C10
9401.40.00.00	Seats other than garden seats or camping equipment, convertible into beds	15	C10
9401.59.00.00	Other	15	C10
9401.61.00.00	Upholstered	15	C10
9401.69.00.00	Other	15	C10
9401.80.90.00	Other	5	B5
9403.30.00.00	Wooden furniture of the kind used in offices	15	C10
9403.40.00.00	Wooden furniture of the kind used in kitchens	15	C10
9403.50.00.00	Wooden furniture of the kind used in bedrooms	15	C10
9403.70.99.00	Other	15	C10
9403.82.00.00	Of bamboo	15	C10
9403.83.00.00	Of rattan	15	C10
9404.10.00.00	Mattress supports	15	C10
9404.21.00.00	Of cellular rubber or plastics, whether or not covered	15	C10
9406.10.11.00	Structures	15	C10
9406.10.19.00	Other	15	C10
9406.90.20.00	Of plastic	10	C10
9406.90.30.00	Articles of cement, of concrete or of artificial stone, including articles of cement of slag or of terrazzo	15	C10
9406.90.40.00	Of ceramic	15	C10
9406.90.51.00	Structures	15	C10
9406.90.59.00	Other	15	C10
9406.90.61.00	Structures	15	C10
9406.90.69.00	Other	15	C10
9406.90.71.00	Structures	15	C10
9406.90.79.00	Other	10	C10
9406.90.90.00	Other	15	C10

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
9503.00.10.00	Tricycles, scooters, pedal cars and other wheeled toys designed to be ridden by children; carriages and wheelchairs for dolls	10	C10
9503.00.92.00	Dolls, whether or not dressed	10	C10
PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
9504.30.00.00	Other games, operated by coins, banknotes, bank cards, tokens or by other means of payment, other than automatic bowling alley equipment	15	C10
9504.90.11.00	Coin-operated, distributing cash prizes	15	C10
9504.90.12.00	Other, coin-operated, distributing non-cash prizes	15	C10
9504.90.19.00	Other	15	C10
9504.90.21.00	For boys	10	C10
9504.90.29.00	Other	15	C10
9504.90.31.00	With a mechanical system or a motor	15	C10
9504.90.39.00	Other	15	C10
9504.90.40.00	Other games for children	10	C10
9504.90.50.00	Parlour games	10	C10
9504.90.90.00	Other	15	C10
9506.91.00.00	Articles and equipment for general physical exercise, gymnastics or athletics	5	B5
9603.21.00.00	Toothbrushes, including dentalplate brushes	5	B5
9608.99.10.00	Ballpoints for ballpoint pens	10	C10
9608.99.20.00	Bodies for ballpoint pens	10	C10
9608.99.30.00	Tips for felttipped and other poroustipped pens or markers	10	C10
9608.99.90.00	Other	10	C10
9612.10.10.00	For printers for automatic data processing machines and similar printers	10	C10
9612.10.90.00	Other	10	C10
9614.00.90.00	Other	15	C10
9620.00.22.00	For cameras	10	C10
9620.00.90.00 AA	For broadcasting stations (radio)	15	B5

ANNEX 2-C

PREFERENTIAL TREATMENT FOR FISHERY GOODS

Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 2.5 (Preferential Treatment for Fishery Goods):

- (a) duties on originating goods provided for in the items in staging Category **A** in a Party's Schedule shall be eliminated entirely, and such goods shall be duty-free on the date this Agreement enters into force;
- (b) duties on originating goods provided for in the items in staging Category **Q** in a Party's Schedule shall be eliminated or reduced as specified for each tariff line;
- (c) duties on goods not listed under any category will maintain the MFN customs duties. These goods are excluded from duty elimination or reduction duties.

ANNEX 2-C -1

SECTION A: PREFERENTIAL TREATMENT IN ISRAEL OF ORIGINATING GOOD OF
PANAMA

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03021900	Other:	0	A	
03022300	Sole (solea spp.)	0	A	
03022900	Other:	0	A	
03023100	Albacore or longfinned tunas (thunnus alalunga):	0	A	
03023200	Yellowfin tunas (thunnus albacares):	0	Q	25% reduction of MFN tariff rate
03023300	Skipjack or stripe bellied bonito:	0	A	
03023400	Bigeye tunas (Thunnus obesus):	0	Q	25% reduction of MFN tariff rate
03023900	Other:	0	A	
03024300	Sardines (Sardina pilchardus, Sardinops spp.), sardinella (Sardinella spp.), brisling or sprats (Sprattus sprattus)	0	A	
03024600	Cobia (Rachycentron canadum)	0	A	
03025910	Other fish approved by the Director General of the Ministry of Agriculture as the kind of fish that are not raised or caught in Israel or in the Mediterranean Sea	0	A	
03025990	Others	0	Q	25% reduction of MFN tariff rate
03027100	Tilapias (Oreochromis spp.)	0	A	
03027210	Catfish (Pangasius spp., Silurus spp., Clarias spp., Ictalurus spp.)	0	A	
03027400	Eels (Anguilla spp.)	0	A	
03028200	Rays and skates (Rajidae)	0	Q	15% reduction of MFN tariff rate
03028930	Red fish	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03028980	Other fish approved by the Director General of the Ministry of Agriculture as the kind of fish that are not raised or caught in Israel or in the Mediterranean Sea	0	A	
03029000	Livers and roes	0	A	
03031900	Other	0	A	
03032310	Approved by the director general of the ministry of industry and trade as intended for industrial use	0	A	
03032410	Catfish (Pangasius spp, Silurus spp, Ictalurus spp)	0	A	
03032490	Other	0	Q	15% reduction of MFN tariff rate
03032600	Eels (Anguilla spp.)	0	A	
03032910	Approved by the director general of the ministry of industry and trade as intended for industrial use	0	A	
03032920	Nile Princess, except those of subheading 2910	0	A	
03032980	Snakeheads (Channa spp.), except those of subheadings 2910	0	A	
03034100	Albacore or longfinned tunas (thunnus alalunga):	0	A	
03034200	Yellowfin tunas (thunnus albacares):	0	A	
03034300	Skipjack or strip bellied bonito	0	A	
03035500	Jack and horse mackerel (Trachurus spp.)	0	A	
03035600	Cobia (Rachycentron canadum)	0	A	
03035700	Swordfish (Xiphias gladius)	0	A	
03038100	Dogfish and other sharks	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03038910	Red Fish, except those of subheading 8930	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03038930	Approved by the director general of the ministry of industry and trade as intended for industrial use	0	A	
03038980	Approved by the Director General of the Ministry of Agriculture as fish of the kinds that do not grow or are not fished in Israel or in the Mediterranean Sea	0	A	
03044920	Red fish	0	Q	25% reduction of MFN tariff rate
03044930	Of fishes from subheadings, 03.02.3000, 03.02.4000, 03.02.5200, 03.02.5300, 03.02.7400 and 03.02.8100	0	Q	25% reduction of MFN tariff rate
03044950	Fillet of other fish approved by the Director General of the Ministry of Agriculture as the kind of fish not raised or fished in Israel or in the Mediterranean Sea.	0	A	
03045900	Other	0	A	
03047910	Approved by the Director General of the Ministry of Agriculture, as kind that is not raised or fished in Israel or the Mediterranean Sea	0	A	
03047990	Other	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03048700	Tunas (of the genus Thunnus), skipjack or stripe bellied bonito (Euthynnus (Katsuwonus) pelamis)	0	A	
03048920	Of fishes from subheadings 03.02.4400, 03.02.5200, 03.02.5300 03.02.7400 and 03.02.8100	0	A	
03048940	Red fish	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03048980	Approved by the Director General of the Ministry of Agriculture, as kind that is not raised or fished in Israel or the Mediterranean Sea	0	A	
03049100	Swordfish (<i>Xiphias gladius</i>):	0	A	
03049900	Others:	0	A	
03055910	Salted	0	A	
03055920	Dried flakes	0	A	
03055930	Other	8	A	
03057110	Salted	0	A	
03057190	Others	8	A	
03061120	Smoked	12	A	
03061180	Others	0	A	
03061410	Smoked	12	A	
03061490	Others	0	A	
03061620	Smoked	12	A	
03061680	Others	26	Q	25% reduction of MFN tariff rate
03061720	Smoked	12	A	
03061780	Others	26	Q	25% reduction of MFN tariff rate

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03062220	Smoked	12	A	
03062280	Others	0	A	
03062610	Smoked	12	A	
03062690	Others	26	Q	25% reduction of MFN tariff rate
03062710	Smoked	12	A	
03062790	Others	26	Q	25% reduction of MFN tariff rate
03071100	Live, fresh or chilled	0	A	
03073910	Smoked	12	A	
03073990	Others	0	A	
03074910	Smoked	12	A	
03077910	Smoked	12	A	
03077990	Others	0	A	
03079910	Smoked	12	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITION
03079990	Others	0	A	
03083010	Smoked	12	A	
03083090	Others	0	A	
16041100	Salmon:	0	A	
16041300	Sardines, sardinella and brisling or sprats	0	A	
16041430	Frozen tuna fillet not in airtight container	0	A	
16041440	Frozen fillet covered or seasoned	0	A	
16041490	Others	12	A	
16041930	Tilapias filled covered and seasoned	0	A	
16041990	Others	0	A	
16042000	Other prepared or preserved fish	0	A	
16051000	Crab	12	A	
16052100	Not in airtight container	12	A	

16052900	Other	12	A	
16054000	Other crustaceans:	12	A	
16055400	Cuttle fish and squid	12	A	
16055500	Octopus	12	A	
16056900	Other	12	A	

SECTION B: PREFERENTIAL TREATMENT IN PANAMA OF ORIGINATING PRODUCTS OF
ISRAEL

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY
0301.11.00.00	Of Freshwater	10	A
0301.19.00.00	Other	10	A
0301.94.00.00	Atlantic and Pacific bluefin tunas (<i>Thunnus thynnus</i> , <i>Thunnus orientalis</i>)	15	A
0301.95.00.00	Southern bluefin tunas (<i>Thunnus maccoyii</i>)	15	A
0301.99.10.00	Fry for restocking	15	A
0301.99.91.00	Tuna (of the genus <i>Thunnus</i> , excluding <i>Thunnus thynnus</i> , <i>Thunnus orientalis</i> and <i>Thunnus maccoyii</i>), skipjack or stripe-bellied bonito (<i>Euthynnus (Katsuwonus) pelamis</i>), sardines (<i>Sardina pilchardus</i> , <i>Sardinops</i> spp.) and mackerel (<i>Scomber scombrus</i> , <i>Scomber australasicus</i> , <i>Scomber japonicus</i>)	15	A
0301.99.99.00	Other	15	A
0302.31.00.00	Albacore or longfinned tunas (<i>Thunnus alalunga</i>)	15	A
0302.32.00.00	Yellowfin tunas (<i>Thunnus albacares</i>)	15	A
0302.33.00.00	Skipjack or stripebellied bonito	15	A
0302.34.00.00	Bigeye tunas (<i>Thunnus obesus</i>)	15	A
0302.35.10.00	Common tuna or bluefin (<i>Thunnus thynnus</i>)	15	A
0302.89.30.00	Groupers (<i>Epinephelus</i> spp., <i>Paralabrax</i> spp.)	15	A
0302.89.70.00	Groupers (<i>Epinephelus guaza</i>)	15	A
1604.20.91.00	Tuna	0	A
1604.31.00.00	Caviar	15	A
1604.32.00.00	Caviar substitutes	15	A

ANNEX 2-D

PREFERENTIAL TREATMENT FOR AGRICULTURAL GOODS

Except as otherwise provided in a Party's Schedule to this Annex, the following staging categories apply to the elimination of customs duties by each Party pursuant to Article 2.17 (Preferential Treatment for Agricultural Goods):

- (a) duties on originating goods provided for in the items in staging Category **A** in a Party's Schedule shall be eliminated entirely, and such goods shall be duty-free on the date this Agreement enters into force;
- (b) duties on originating goods provided for in the items in staging Category **B5** in a Party's Schedule shall be removed in five equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year five (5);
- (c) duties on originating goods provided for in the items in staging Category **Q** in a Party's Schedule shall be eliminated or reduced as specified for each tariff line;
- (d) duties on goods not listed under any category will maintain the MFN customs duties. These goods are excluded from duty elimination or reduction duties.

ANNEX 2-D -1

SECTION A: PREFERENTIAL TREATMENT IN ISRAEL
FOR ORIGINATING GOODS OF PANAMA

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
02011000	Carcasses and half carcasses:	12	Q	Joint free quota for 02011000, 02012000 and 02013000 - 300 tons
02012000	Other cuts with bone in	12	Q	Joint free quota for 02011000, 02012000 and 02013000 - 300 tons
02013000	Boneless	12	Q	Joint free quota for 02011000, 02012000 and 02013000 - 300 tons
02022000	Other cuts with bone in	0	A	
02023000	Boneless	0	A	
02061010	Fresh	50	Q	50% reduction of MFN tariff rate
02061090	Other	50	Q	50% reduction of MFN tariff rate
02062100	Tongues	0	A	
02062200	Livers	0	A	
02062900	Other	0	A	
02069000	Other, frozen	0	A	
05040010	Sheep guts	0	A	
05040030	Renin calf stomachs	8.5	Q	80% reduction of MFN tariff rate
05040090	Others	8	Q	50% reduction of MFN tariff rate

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
05100000	Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.	0	A	
05119920	Of the kind used as food for ornamental fish and birds	8	Q	50% reduction of MFN tariff rate
05119930	Others	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
06011011	Of poppy plants (papaver species)	0	A	
06011019	Others	0	A	
06021010	Fruit bearing date slips	0	A	
07049010	Chinese cabbage	0	Q	25% reduction of MFN tariff rate
07096000	Fruits of the genus Capsicum or of the genus Pimenta	0	Q	25% reduction of MFN tariff rate
07099920	Sweet corn	0	Q	25% reduction of MFN tariff rate
07123100	Mushrooms of the genus agaricus	8	Q	80% reduction of MFN tariff rate
07129050	Chinese cabbage, celery root	8	Q	80% reduction of MFN tariff rate
07133300	Vulgaris) Other	0	A	
07141000	Manioc (cassava)	0	A	
07143000	Yams (Dioscorea spp.)	8	Q	80% reduction of MFN tariff rate
07145000	Yautia (Xanthosoma spp.)	8	Q	80% reduction of MFN tariff rate
08011100	Desiccated	0	A	
08011900	Other	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
08013100	In shell	4	Q	80% reduction of MFN tariff rate
08013200	Shelled	4	Q	80% reduction of MFN tariff rate
08031010	Fresh	0	Q	30% reduction of MFN tariff rate
80310907	Dried	8	Q	50% reduction of MFN tariff rate
08039090	Dried	8	Q	50% reduction of MFN tariff rate
08043010	Fresh	0	Q	DUTY FREE QUOTA - 1000 TONS
08043020	Dried	8	A	
08044020	Dried	8	Q	25% reduction of MFN tariff rate
08045090	Dried	8	Q	80% reduction of MFN tariff rate
08051020	Dried:	8	Q	20% reduction of MFN tariff rate

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
08052020	Dried	8	Q	20% reduction of MFN tariff rate
08054020	Dried	8	Q	20% reduction of MFN tariff rate
08055090	Dried	8	Q	20% reduction of MFN tariff rate
08059020	Dried	25	Q	20% reduction of MFN tariff rate
08071100	Watermelons	0	Q	75% reduction of MFN tariff rate
08072000	Papaws (papayas)	0	Q	Duty free quota - 500 tons
08094090	Which will be released in the months december to april	0	Q	25% reduction of MFN tariff rate

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
08109029	Which will be released in the months october to may	0	Q	25% reduction of MFN tariff rate
08109039	Which will be released in the months august to february	0	Q	25% reduction of MFN tariff rate
08109090	Others	75	Q	Duty free quota - 500 tons
09011110	Ground	0	A	
09011120	Other	0	A	
09012100	Not decaffeinated	0	A	
09012200	Decaffeinated	0	A	
09019010	Roasted or ground	0	A	
09019090	Others	0	A	
09042100	Dried, neither crushed nor ground	12	Q	Duty free quota - 10 tons
12071000	Palm nuts and kernels	4	A	
12079900	Other:	8	Q	25% reduction of MFN tariff rate
12099922	Regarding which the director general of the ministry of agriculture has approved that they are intended for sowing	0	A	
12099929	Which will be released within the framework of the fifth addition	0		
12099990	Others	0	A	
12122100	Fit for human consumption	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
13021910	Extracts of the following secretions: aloes, curare, podophyllum, manna, belladonna, black alder, cascara sagrada, gentian, jalap, kola, cinchona, rhubarb, valerian, coca, colocynth, helbane, ergot of rye, male fern, ephedra, condurango fluid, senegae, hydrastis cand., ipecac. Concentr., senna protinet, rhatanhaie (kfameria), viburni prinifolii, and fuci visulosi imported by the approval by the director general of the ministry of health	0	A	
13021920	Natural extracts in alcohol	10	Q	25% reduction of MFN tariff rate
13021940	Of pyrethrum or of the roots of plants containing rotenone	0	A	
13021990	Others	0	A	
13023100	Agar agar	4	Q	25% reduction of MFN tariff rate
13023200	Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	4	Q	25% reduction of MFN tariff rate
13023900	Other	4	A	
15111010	Edible	0	A	
15111020	Other	8	A	
15119020	Edible	0	A	
15119090	Other	8	A	
16021000	Homogenised preparations	0	A	
16023210	A preparation which has undergone homogenization	6	A	
16025010	A preparation which has undergone homogenization	6	A	
16025099	Other	6	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
17049030	Sugar glazed almonds or nuts, sugar coated grain flakes	0	A	
17049040	White chocolate	0	A	
17049090	Others	6	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
18010000	Cocoa beans, whole or broken, raw or roasted.	0	A	
18020000	Cocoa shells, husks, skins and other cocoa waste.	0	A	
18032010	Lumpy cocoa (cocoa cakes)	0	A	
18032090	Other	0	A	
18040000	Cocoa butter, fat and oil.	0	A	
18050000	Cocoa powder, not containing added sugar or other sweetening matter.	0	A	
18061000	Cocoa powder, containing added sugar or other sweetening matter (can 3) (cze 3) (svk 3)	0	A	
18062000	Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg	0	A	
18063100	Filled	0	A	
19019090	Others	6	A	
19041090	Other	8	A	
19049010	Buck wheat	4	A	
19049090	Others	6	A	
19051000	Crispbread	6	A	
19053100	Sweet biscuits	8	Q	50% reduction of MFN tariff rate

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
19059020	Biscuits or cakes special for diabetics	0	A	
19059030	Precooked dough for the preparation of the products of Heading 19.05	6	A	
19059091	Containing eggs at a rate of 10% or more of the weight, but not less than 1.5% of milk fats and not less than 2.5% of milk proteins.	6	Q	50% reduction of MFN tariff rate limited to 500 tons (trq) - for 19059091, 19059092 and 19059099

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
19059092	Others, containing flour, which is not wheat flour, in a quantity exceeding 15% of the total flour weight	0	Q	50% reduction of MFN tariff rate limited to 500 tons (trq) - for 19059091, 19059092 and 19059099
19059099	Others	0	Q	50% reduction of MFN tariff rate limited to 500 tons (trq) - for 19059091, 19059092 and 19059099
20055100	Beans, shelled	12	Q	25% reduction of MFN tariff rate
20079992	Fruit puree not containing added sugar or sweetening matter in packages whose weight exceeds 50 kg.	4	A	
20079993	Concetrated of paech, apricot, mango, plum or banana in packages whose weight exceeds 50 kg	0	A	
20079999	Others	12	A	
20082030	Un concentrated blend in packages containing 50 Kg or more	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
20082090	Other	4	Q	25% reduction of MFN tariff rate
20089100	Palm hearts	4	A	
20089913	Non cooked mash	0	A	
20089940	Non cooked banana mash	0	A	
20089950	Uncooked guava blend	0	A	
20091911	In packages containing 250 kg or more	0	A	
20093911	In packages containing 230 kg or more of a brix value exceeding 40	0	A	
20094100	Of a brix value not exceeding 20	0	A	
20094900	Other	0	A	
20098111	Whose brix value exceeds 67	12	Q	25% reduction of MFN tariff rate
20098190	Other	12	Q	25% reduction of MFN tariff rate
20098911	Passionfruit, Kiwi or Guavas	0	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
20098912	Pear	0	A	
20098913	Apricot	0	A	
20098914	Peach	0	A	
20098915	Mango	0	A	
20098916	Black raspberry or Aronia	0	A	
20098917	Cherry or Acerola	0	A	
20098918	Carrot	0	A	
20098919	Others	12	Q	25% reduction of MFN tariff rate
20098930	Concentrated juices which brix value exceeds 67	12	Q	25% reduction of MFN tariff rate
20098990	Others	12	Q	25% reduction of MFN tariff rate
21031000	Soya sauce	8	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
21039020	Products from flour, coarse whole grain flour, starch, or	6	A	
21039090	Others	4	Q	Quota 100 tons/50%
21041010	From flour, coarse whole grain flour, starch, or malt extract	6	A	
21041090	Others	6	A	
22011000	Mineral waters and aerated waters	0	A	
22021000	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	0	A	
22029020	Beverages containing milk	0	A	
22029030	Preparations approved by the Director General of the Ministry of Health and complying with the following conditions: 1. They are listed in the drugs register 2. They are essential or of maximum importance in treating a disease or for maintaining a state of health according to a defined medical diagnosis 3. They are not of the kind produced in Israel and are not substitutes for the ones produced in Israel	0	A	
22029090	Others	6	A	
ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
22030010	Containing up to 2% alcohol	12	A	
22030020	Other, containing up to 3.8% alcohol marketed in reusable bottles, containing at least 45 "cl."	12	A	
22030090	Other	12	A	
22071091	Grape alcohol	8	A	

ISRAEL'S TARIFF LINE (2017)	DESCRIPTION	RATE (%)	TARIFF REDUCTION CATEGORY	SPECIAL CONDITIONS
22071092	Other in receptacle containing 2 liters or less	8	A	
22071099	Other	0	A	
22084000	Rum and other spirits obtained by distilling fermented sugar cane products:	12	A	
22090000	Vinegar and vinegar substitutes obtained from acetic acid.	0	A	
23011000	With a dropper, flours, meals and pellets, of meat or meat offal;	0	A	
23012000	Flours, meals and pellets, of fish or of crustaceans, molluscs or other aquatic invertebrates	0	A	
23021000	Of maize (corn)	0	A	
23065000	Of coconut or copra	0	A	
23066000	Of palm nuts or kernels	0	A	
23099000	Other:	6	Q	25% reduction of MFN tariff rate
23099020	Containing, by weight, not less than 15% and not more than 35% protein substances and not less than 4% fatty substances	0	A	

SECTION B: PREFERENTIAL TREATMENT IN PANAMA
FOR ORIGINATING GOOD OF ISRAEL

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0409.00.00.00	Natural honey	15	Q	TRQ 10 tons duty free	
0603.11.00.00	Roses	15	Q	25% reduction of MFN tariff rate	
0603.12.00.00	Carnations	15	Q	50% reduction of MFN tariff rate	
0603.14.00.00	Chrysanthemums	15	Q	50% reduction of MFN tariff rate	
0603.15.00.00	Lilies (Lilium spp.)	15	Q	50% reduction of MFN tariff rate	
0603.19.10.00	Ginger lilies	15	Q	50% reduction of MFN tariff rate	
0603.19.20.00	Bird of paradise	15	Q	50% reduction of MFN tariff rate	
0603.19.30.00	Calla lilies	15	Q	50% reduction of MFN tariff rate	
0603.19.50.00	Sysophilia	15	Q	50% reduction of MFN tariff rate	
0603.19.60.00	Gerberas	15	Q	50% reduction of MFN tariff rate	
0603.19.70.00	Statice	15	Q	50% reduction of MFN tariff rate	
0603.19.80.00	Alstroemerias	15	Q	50% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0603.19.91.00	Agapanthus	15	Q	50% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0603.19.92.00	Gladioli	15	Q	50% reduction of MFN tariff rate	
0603.19.93.00	Anthurium	15	Q	50% reduction of MFN tariff rate	
0603.19.94.00	Heliconias	15	Q	50% reduction of MFN tariff rate	
0603.90.10.00	Flower arrangements	15	Q	50% reduction of MFN tariff rate	
0702.00.00.00	Tomatoes, fresh or chilled	15	B5		
0706.10.00.00	Carrots and turnips	15	B5		
0709.60.10.00	Sweet peppers (chilies)	15	Q	25% reduction of MFN tariff rate	
0709.60.20.00	Chillies (Capsicum frutescens L.)	15	Q	25% reduction of MFN tariff rate	
0709.93.00.00	Pumpkins, squash and gourds (Cucurbita spp.)	15	Q	TRQ 500 tons duty free	Yellow zucchini
0712.90.10.00	Tomatoes	15	Q	50% reduction of MFN tariff rate	
0712.90.20.00	Powdered garlic	10	Q	50% reduction of MFN tariff rate	
0712.90.30.00	Potatoes, whether or not cut or sliced but not further prepared	10	Q	50% reduction of MFN tariff rate	
0714.90.00.00	Other	15	Q	TRQ 20 tons duty free	Jerusalem artichokes

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0804.10.10.00	Fresh	15	A		
0804.20.00.00 AA	Fresh	10	A		
0804.40.00.00	Avocados	15	Q	TRQ 100 tons duty free	
0804.50.10.00	Fresh	15	Q	TRQ 200 tons duty free	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0805.10.00.00	Oranges	15	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	
0805.21.00.00	Mandarins (including tangerines and satsumas)	15	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	

0805.22.00.00	Clementines	15	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	
0805.29.00.00	Other	15	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0805.40.10.00	Fresh	15	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0805.40.20.00	Dried	10	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	
0805.50.10.00	Fresh	15	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	
0805.50.20.00	Dried	10	Q	TRQ 1000 tons duty free, for tariff 0805.10.00.00, 0805.21.00.00, 0805.22.00.00, 0805.29.00.00, 0805.40.10.00, 0805.40.20.00, 0805.50.10.00, 0805.50.20.00	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0810.90.10.00	Tropical Climate	15	Q	TRQ 10 tons duty free, for tariff 0810.90.10.00,0 810.90.20.00	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0810.90.20.00	Non - Tropical Climate	10	Q	TRQ 10 tons duty free, for tariff 0810.90.10.00,0 810.90.20.00	
0811.10.00.00	Strawberries	15	Q	50% reduction of MFN tariff rate	
0902.10.00.00	Green tea (not fermented) in immediate packings of a content not exceeding 3 kg	15	Q	75% reduction of MFN tariff rate	
0902.20.00.00	Green tea (not fermented) otherwise presented	0	A		
0902.30.00.00	Black tea (fermented) and partly fermented tea, in immediate packings of a content not exceeding 3 kg	0	A		
0902.40.00.00	Black tea (fermented) and partly fermented tea, otherwise presented	0	A		
0908.21.00.00	Neither crushed nor ground	0	A		
0908.22.00.00	Crushed or ground	15	Q	75% reduction of MFN tariff rate	
0908.31.10.00	Amoms	0	A		
0908.31.20.00	Cardamoms	0	A		
0908.32.10.00	Amoms	15	Q	75% reduction of MFN tariff rate	
0908.32.20.00	Cardamoms	15	Q	75% reduction of MFN tariff rate	
0909.21.00.00	Neither crushed nor ground	10	Q	75% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
0909.22.00.00	Crushed or ground	15	Q	75% reduction of MFN tariff rate	
0909.31.00.00	Neither crushed nor ground	0	A		
0909.32.00.00	Crushed or ground	0	A		
0909.61.10.00	Seeds os anise or badian	10	Q	75% reduction of MFN tariff rate	
0909.62.00.00	Crushed or ground	15	Q	75% reduction of MFN tariff rate	
0910.30.00.00	Turmeric	0	A		
0910.91.10.00	Neither crushed nor ground	0	A		
0910.91.20.00	Crushed or ground	15	Q	75% reduction of MFN tariff rate	
1001.11.00.00	For sowing	0	A		
1001.91.00.00	For sowing	0	A		
1002.10.00.00	For sowing	0	A		
1209.10.00.00	Sugar beet seeds	0	A		
1209.91.00.00	Vegetable seeds	0	A		
1211.90.21.00	Fresh or dried	5	A		
1211.90.22.00	Chilled or frozen	5	A		
1211.90.91.00	Fresh or dried	15	A		
1301.20.00.00	Gum arabic	0	A		
1522.00.20.00	Residues from the treatment of vegetable oils	15	Q	25% reduction of MFN tariff rate	
1704.10.00.00	Chewing gum, whether or not sugarcoated	15	Q	25% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
1704.90.20.00	Nougat	15	Q	25% reduction of MFN tariff rate	
1704.90.30.00	Popcorn or toasted maize coated with sugar or honey	15	Q	25% reduction of MFN tariff rate	
1806.32.00.00	Not filled	5	Q	25% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
1806.90.10.00	Dietetic preparations containing 50% or more by weight of cocoa	10	Q	25% reduction of MFN tariff rate	
1806.90.20.00	Other dietetic preparations in powder form	5	Q	25% reduction of MFN tariff rate	
1901.10.11.00	For infant feeding ("infant formula")	0	A		
1901.10.20.00	Preparations for infant feeding ("infant formula") other than those included in tariff subdivision 1901.10.11	5	Q	25% reduction of MFN tariff rate	
1901.10.30.00	Cereal preparations not containing milk or egg	10	Q	25% reduction of MFN tariff rate	
1901.20.20.00	Manioc flour	15	Q	50% reduction of MFN tariff rate	
1901.20.91.00	Not containing added sugar or other sweetening matter	15	Q	25% reduction of MFN tariff rate	
1901.90.10.00	Malt extract	0	A		
1901.90.21.00	Based on cereals, flours or starches containing eggs or milk or other dairy products	0	A		

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
1901.90.22.00	Cereal-based dietary preparation, not containing milk, other dairy products or egg	0	A		
1904.10.21.00	With added sugar or other sweetener	10	Q	75% reduction of MFN tariff rate	
1904.10.22.00	Grape-nuts in containers with a net content of at least 4 pounds	0	A		
1904.10.23.00	Corn (maize) flakes, cones and the like, obtained by swelling or roasting	10	Q	50% reduction of MFN tariff rate	
1904.10.24.00	Other maize (corn) snacks, whether or not cheese flavoured	10	Q	50% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
1904.20.00.00	Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals	10	Q	50% reduction of MFN tariff rate	
1904.30.00.00	Bulgur wheat	15	Q	50% reduction of MFN tariff rate	
1905.10.00.00	Crispbread called "knäckebrot"	10	A		
1905.20.00.00	Gingerbread and the like	10	Q	25% reduction of MFN tariff rate	
1905.31.10.00	Containing added cocoa, for ice cream wafers	15	Q	50% reduction of MFN tariff rate	
1905.32.00.00	Waffles and wafers, whether or not stuffed	10	Q	25% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
1905.40.00.00 AA	No added sugar, honey, eggs, fat, cheese or fruit	10	Q	TRQ 100 tons/ 50% reduction of MFN tariff rate	
1905.90.10.00	Communion wafers	0	A		
1905.90.21.00	Bread and ship's biscuits	10	A		
1905.90.30.00	Soda or salted biscuits	10	Q	TRQ 100 tons/ 50% reduction of MFN tariff rate	
1905.90.40.00	Other biscuits	10	Q	TRQ 100 tons/ 50% reduction of MFN tariff rate	
1905.90.50.00	Maize (corn) snacks, whether or not cheese flavoured	10	Q	TRQ 100 tons duty free	
1905.90.60.00	Other frozen bakery products	10	Q	TRQ 100 tons duty free	
2001.10.00.00	Cucumbers and gherkins	0	A		
2001.90.10.00	Elotitos (young maize (corn) kernels)	10	Q	TRQ 500 tons duty free	
2001.90.30.00	Sweet corn (zea mays var. saccharata)	15	Q	75% reduction of MFN tariff rate	
2001.90.41.00	Sweet	0	A		

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2001.90.50.00	Tomatoes	15	Q	TRQ 100 tons duty free	
2002.10.00.00	Tomatoes, whole or in pieces	10	Q	TRQ 400 tons duty free	From the entry into force of the Agreement
2005.20.10.00	Potato chips	10	Q	25% reduction of MFN tariff rate	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2006.00.00.00	Vegetables, fruit, nuts, fruitpeel and other parts of plants, preserved by sugar (drained, glace or crystallized)	15	Q	TRQ 200 tons duty free	
2008.19.13.00	Almond butter	0	A		
2008.19.21.00	Of toasted almonds, with no added sugar or other sweetener	0	A		
2009.19.90.00	Other	10	B5		In packages containing 250 kg or more
2009.39.00.00	Other	10	B5		In packages containing 230 kg or more of a brix value exceeding 40
2009.41.00.00	Of a Brix value not exceeding 20	10	B5		
2009.49.00.00	Other	10	B5		
2009.81.00.00	Cranberry (Vaccinium macrocarpon, Vaccinium oxycoccos, Vaccinium vitisidaea) juice	0	A		
2009.89.11.00	Concentrate	10	Q	25% reduction of MFN tariff rate	
2009.89.20.00	Passion fruit juice (Passiflora spp.)	15	B5		
2009.89.31.00	Of tropical fruits	10	Q	25% reduction of MFN tariff rate	
2009.89.32.00	Pear	0	A		
2009.89.33.00	Peach	0	A		

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2009.89.34.00	Apricot	0	A		

2009.89.91.00	Of tropical fruits	10	Q	25% reduction of MFN tariff rate	
2009.89.92.00	Peach	10	B5		
2009.89.93.00	Apricot	10	B5		
2009.89.94.00	Pear	10	B5		
2102.30.00.00	Prepared baking powders	10	Q	50% reduction of MFN tariff rate	
2103.10.00.00	Soy sauce	10	A		
2103.30.10.00	Mustard flour	0	A		
2103.30.20.00	Prepared mustard	10	Q	50% reduction of MFN tariff rate	
2103.90.10.00	Preparations for sauces	10	Q	50% reduction of MFN tariff rate	
2103.90.21.00	Mayonnaise, whether or not mixed	10	Q	TRQ 50 tons duty free	
2103.90.22.00	Worcester sauce (english)	10	Q	TRQ 50 tons duty free	
2103.90.31.00	Mixed seasonings used in industrial sausagemaking	0	A		
2104.10.11.00	Based on meat, including its extracts and juices	10	Q	TRQ 50 tons duty free	
2104.10.12.00	Based on fish, crustaceans and molluscs, including their extracts and juices	10	Q	TRQ 50 tons duty free	
2104.10.13.00	Of leguminous or green vegetables, not containing tomato	10	Q	TRQ 50 tons duty free	
2104.10.21.00	Of chicken with noodles or other pasta, except those containing oriental type, pre-cooked, dehydrated noodles	10	Q	TRQ 50 tons duty free	
2104.10.22.00	Containing fish, crustaceans or molluscs or including their extracts or juices	0	A		

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2104.10.23.00	Containing meat, or extracts and juices thereof	0	A		
2104.10.24.00	Of leguminous plants or vegetables, not containing tomato (vegetarian)	0	A		
2104.10.30.00	Homogenised and dehydrated broths, as paste or powder	0	A		
2104.10.91.00	Of fish, crustaceans or molluscs	5	Q	50% reduction of MFN tariff rate	
2104.10.92.00	Of beef with vegetables; of chicken of all kinds; of turkey of all kinds	5	Q	50% reduction of MFN tariff rate	
2104.10.93.00	Of leguminous or green vegetables (vegetarian), containing tomato; of peas, of black beans; of minestrone	10	Q	TRQ 50 tons duty free	
2104.10.94.00	Other leguminous and green vegetables (vegetarian), not containing tomato	5	Q	50% reduction of MFN tariff rate	
2104.10.95.00	Of beef (meat or offal), with spaghetti and other pasta, except minestrone	10	Q	TRQ 50 tons duty free	
2104.10.96.00	Other meat	10	Q	TRQ 50 tons duty free	
2106.10.00.00	Protein concentrates and textured protein substances	0	A		

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2106.90.11.00	Post-mix syrup, naturally or artificially flavoured, for carbonated beverages of the kind used in dispensing machines to make carbonated beverages in snack bars, restaurants, cinemas, schools and other public outlets	0	A		

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2106.90.12.00	Other syrups or concentrates, with natural or artificial flavourings, for the industrial production of carbonated beverages	0	A		
2106.90.13.00	Other syrups or concentrates, with natural fruit flavourings, excluding strawberry	15	Q	TRQ 1000 tons duty free	
2106.90.14.00	Syrups or concentrates, with a natural flavouring of strawberry, except those for carbonated beverages	15	Q	TRQ 1000 tons duty free	
2106.90.15.00	Preparations based on aromatic bitter extracts, whether or not in powdered form, for flavouring alcoholic beverages	15	Q	TRQ 1000 tons duty free	
2106.90.16.00	Preparations based on eggs ("egg nog")	0	A		
2106.90.17.00	Milk-substitute dietary preparations with a protein base	5	Q	TRQ 1000 tons duty free	
2106.90.19.00	Other	10	Q	TRQ 1000 tons duty free	

PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2106.90.20.00	Powders for table creams, jellies, ice creams, and similar preparations, whether or not sweetened	10	Q	TRQ 1000 tons duty free	
2106.90.80.00	Liquid preparations based on maize syrup and partially hydrogenated palm oil, of the kind used for decorating and filling pastry products, in containers holding more than 2 kg	0	A		
2204.10.00.00	Sparkling wine	10	A		
2204.21.00.00	In containers holding 2 litres or less	15	A		
PANAMA'S CODE 2017	DESCRIPTION	RATE (%)	CATEGORY	SPECIAL CONDITIONS	OBSERVATIONS
2204.22.00.00	In containers holding more than 2 liters but not more than 10 liters	15	A		
2204.29.00.00	Other	15	A		
2208.70.00.00	Liqueurs	15	A		
2209.00.00.00	Vinegar and substitutes for vinegar obtained from acetic acid	10	A		

CHAPTER 3 RULES OF ORIGIN

ARTICLE 3.1: DEFINITIONS

For the purposes of this Chapter:

aquaculture means the farming of aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seed stock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as regular stocking, feeding, protection from predators, etc.;

chapters, "headings" and "subheadings" mean the chapters, the headings and the subheadings (two, four and six digit codes respectively) used in the nomenclature which makes up the HS;

CIF Value means the value of the goods, including freight and insurance costs to the port of importation in Israel or in Panama;

classification refers to the classification of a product or material under a particular heading or sub-heading;

competent authority refers to:

- (a) in Israel the customs directorate of the *Israel Tax Authority of the Ministry of Finance*, or their successor; and
- (b) in Panamá, the *Ministry of Commerce and Industries (Ministerio de Comercio e Industrias)* for issuance of Certificate of Origin; and the *National Customs Authority (Autoridad Nacional de Aduanas)* for verification of proofs of origin, or their successors;

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;

customs value means the value as determined in accordance with Article VII of GATT 1994 and the Customs Valuation Agreement;

ex-works price means the price paid for the product ex-works to the manufacturer in Israel or in Panama in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;

goods means any materials, and products;

manufacture means any kind of working or processing, including assembly or specific operations;

material means any ingredient, raw material, component or part, etc., used in the manufacture of the product;

non-Party means the countries with which both Parties have entered separately into a Free Trade Agreement under Article XXIV of GATT 1994 or with which both sides may conclude such a Free Trade Agreement in the future;

product means the product manufactured, even if it is intended for later use in another manufacturing operation;

third country means any country other than Israel and Panama; and

value of non-originating materials means the CIF value or if it is not known its equivalent in accordance with Article VII of GATT 1994 and the Customs Valuation Agreement.

ARTICLE 3.2: GENERAL REQUIREMENTS

For the purpose of this Chapter, the following products shall be considered as originating in a Party:

- (a) products wholly obtained or produced in a Party, in according with Article 3.4;
- (b) products obtained in a Party incorporating non-originating materials which have not been wholly obtained there, provided that such materials have undergone sufficient worked or processed in the Party within the meaning of Article 3.5.

ARTICLE 3.3: CUMULATION

1. Bilateral Cumulation

Notwithstanding Article 3.2, goods that originate in a Party, shall be considered as goods originating in the other Party and it shall not be necessary that such goods had undergone working or processing.

2. Diagonal Cumulation

Where each Party entered or will enter separately into a free trade agreement under *Article XXIV of the GATT 1994* with the same non-Party, and the goods qualify for tariff preferences under the agreement of one of the Parties with the non-Party, the goods will be considered as originating goods according to the present Agreement, if they are used as a material in the production of another good in the territory of the other Party.

3. A Party shall apply paragraph 2, only when the free trade agreement between each Party and the non-Party are in force.

ARTICLE 3.4: WHOLLY OBTAINED PRODUCTS

For the purposes of Article 3.2(a), the following shall be considered as wholly produced or obtained by the Parties:

- (a) mineral products extracted from the soil or subsoil of any of the Parties, including its territorial seas, continental shelf or exclusive economic zone;
- (b) plants and vegetable products grown, harvested, picked or gathered there, including in their territorial seas, exclusive economic zone or continental shelf;
- (c) live animals born and raised there, including by aquaculture;
- (d) products from live animals as in subparagraph (c);
- (e) animals and products obtained by hunting, trapping, collecting, fishing and capturing in a Party; including in its territorial seas, continental shelf or in the exclusive economic zone;
- (f) used articles collected there fit only for the recovery of raw materials;
- (g) waste and scrap resulting from utilization, consumption or manufacturing operations conducted there;
- (h) products of sea fishing and other products taken from the waters in the high seas (outside the continental shelf or in the exclusive economic zone of the Parties), only by their vessels;
- (i) products of sea fishing obtained, only by their vessels, under a specific quota or other fishing rights allocated to a Party by the international agreements to which the Parties are parties;
- (j) products made aboard their factory ships exclusively from products referred to in subparagraphs (h) and (i);
- (k) products obtained from the seabed and subsoil, in those maritime areas beyond the territorial sea of either Party, over which that Party, in accordance with international law or the laws of a Party, exercises sovereign rights or jurisdiction.
- (l) goods produced in any of the Parties exclusively from the products specified in subparagraphs (a) to (g).

2. The terms “their vessels” and ‘their factory ships’ in paragraph 1(h), 1(i) and 1(j) shall apply only to vessels and factory ships:

- (a) which are flagged and registered or recorded in a Party; and

- (b) which are owned by a natural person with domicile in that Party or by a commercial company with domicile in that Party, established and registered in accordance with the laws of the Party and performing its activities in conformity with the laws and regulations of the Party.

ARTICLE 3.5: SUFFICIENTLY WORKED OR PROCESSED PRODUCTS

1. For the purpose of Article 3.2, a product is considered to be originating if the non-originating materials used in its manufacture undergo working or processing beyond the operations referred to in Article 3.6; and

- a) the production process results in a tariff change of the non-originating materials from a four-digit heading of the HS into another four-digit heading; or
- b) the value of all non-originating materials used in its manufacture does not exceed 50 % of the ex-works price; or
- c) if the product falls within the classifications included in the list in Annex 3-A, subparagraphs (a) and (b) above shall not apply. In this case it must fulfill the specific rule detailed therein.

2. A product will be considered as having undergone a change in tariff classification pursuant to subparagraph 1(a) if the value of all non-originating materials which have been used in the production of the good and have not undergone the change which must be applied in tariff classification do not exceed 10% of the ex-works value of the product.

3. The Committee, established in the Article 4.13 (Committee on Rules of Origin and Customs Procedures and Trade Facilitation) may recommend to the Joint Committee any modification for specific rules of origin by mutual agreement.

ARTICLE 3.6: INSUFFICIENT WORKING OR PROCESSING

1. 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 3.5 are satisfied:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) simple changing of packaging and breaking-up and assembly of packages;
- (c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
- (d) simple painting and polishing operations, including applying oil;
- (e) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (f) ironing or pressing of textiles;

- (g) operations to colour sugar or form sugar lumps;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (l) dilution in water or other substances, providing that the characteristics of the products remain unchanged;
- (m) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) simple mixing of products, whether or not of different kinds;
- (p) slaughter of animals;
- (q) a combination of two or more of the above operations.

ARTICLE 3.7: UNIT OF QUALIFICATION

1. The unit of qualification for the application of the provisions of this Chapter shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the HS.
2. Pursuant to paragraph 1, it follows that:
 - (a) when a product composed of a group or assembly of articles is classified under the terms of the HS 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 HS, each product must be taken individually when applying the provisions of this Chapter.
3. Where, under General Rule 5 of the HS, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.
4. Subject to General Rule 5 of the HS, when the products qualify as wholly obtained according to Article 3.4, the packaging shall not be taken into consideration for the

purposes of determining origin.

ARTICLE 3.8: ACCOUNTING SEGREGATION

1. For the purpose of establishing if a product is originating when in its manufacture are utilized originating and non-originating fungible materials, mixed or physically combined, the origin of such materials can be determined by any of the inventory management methods applicable in the Party.

2. For the purposes of this Article, "fungible materials" means materials that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another once they are incorporated into the finished product.

3. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials which are identical and interchangeable, the customs authorities may authorize the so-called "accounting segregation" method to be used for managing such stocks.

4. This method must be able to ensure that the number of products obtained which could be considered as "originating" is the same as that which would have been obtained if there had been physical segregation of the stocks.

5. The customs authorities may grant such authorizations, subject to any conditions deemed appropriate.

6. This method is recorded and applied on the basis of the general accounting principles applicable in the Party where the product was manufactured.

7. The user of this method may issue or apply for proofs of origin providing information about the inventory management method used, as the case may be, for the quantity of products which may be considered as originating. The management method selected for a particular fungible material or material shall continue to be used for that good or material throughout the fiscal year for the person that selected the inventory management method.

8. A producer using an inventory management system shall keep records of the operation of the system that are necessary for the competent authorities of the Party concerned to verify compliance with the provisions of this Chapter.

9. A Party may require that the application of an inventory management system as provided for in this Article be subject to prior authorization.

ARTICLE 3.9: 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 3.10: SETS

Sets, as defined in General Rule 3 of the HS, shall be regarded as originating when all component goods are originating. Nevertheless, when a set is composed of originating and non-originating goods, the set as a whole shall be regarded as originating, provided that the CIF value of the non-originating goods does not exceed 20% of the ex-works price of the set.

ARTICLE 3.11: NEUTRAL ELEMENTS

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools;
- (d) goods which do not enter into the final composition of the product.

ARTICLE 3.12: PRINCIPLE OF TERRITORIALITY

1. Except as provided for in Article 3.3 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Article 3.5 must be fulfilled without interruption in the Parties.

2. Where originating goods exported from the Parties to a third- country, returned to the exporting Party, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the returning goods are the same as those exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that third-country or while being exported.

3. The acquisition of originating status in accordance with the conditions set out in this Chapter shall not be affected by working or processing done outside the Parties on materials exported from the Parties and subsequently re-imported there, provided that:

- (a) the said materials are wholly obtained in the Parties or have undergone working or processing beyond the operations referred to in Article 3.6 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:

- (i) re-imported goods have been obtained by working or processing the exported materials; and
- (ii) total added value acquired outside the Parties by applying the provisions of this Article does not exceed 20% of the ex-works price of the end product for which originating status is claimed.

4. For the purposes of applying the provisions of paragraph 3:

- (a) “total added value” shall be taken to mean all costs arising outside the Parties, including the value of the materials incorporated there;
- (b) the total added value as detailed in paragraph (a) shall be considered as non-originating materials for the purposes of Article 3.5.1(b) or Annex 3-A (Product Specific Rules of Origin).

5. The provisions of paragraph 3 shall not apply to products which do not fulfil the conditions set out in Article 3.5, and to products of Chapters 1 to 24, Chapter 34, Chapter 39 and Chapter 48 of the HS.

6. In the cases where paragraph 3 applies, that fact will be indicated in Field No. 13 in the Certificate of Origin, in accordance with Annex 3-B.

ARTICLE 3.13: DIRECT TRANSPORT

1. The preferential treatment provided under this Agreement applies only to products, satisfying the requirements of this Chapter, which are transported directly between the Parties.

2. However, products originating in the territories of the Parties and constituting one single consignment which is not split up may be transported through other territories with, should the occasion arise, transshipment or temporary warehousing in such territories, under the surveillance of the customs authorities therein, provided that:

- (a) the transit is justified for geographical or international transport;
- (b) during transit or transshipment the goods have not been processed; or
- (c) have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

3. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing Party by the production of:

- (a) any single transport document, that meets international standards and that proves that the goods were directly transported from the exporting Party

through the third country where the goods are in transit to the importing Party; or

- (b) a certificate issued by the customs authorities of the third country where the goods were in transit which contains an exact description of the goods, the date and place the loading and reloading of the goods in that third country and the conditions under which the good were placed; or
- (c) in the absence of any of the above documents, any other documents that will prove the direct shipment.

4. Goods exported from one of the Parties will retain their originating status when they are reimported into that Party.

5. Notwithstanding the provisions in paragraphs 1 and 2, originating goods of one Party that entered the territory of a non-Party shall not lose their originating status on the condition that they have not undergone additional processing other than that detailed in Article 3.6.

For the purpose of this paragraph, the exporter in the territory of the exporting Party shall be responsible for all operations the goods have undergone in a non-Party, and shall indicate in the Certificate of Origin which operations, as listed in Article 3.6, the goods have undergone.

ARTICLE 3.14: RE-EXPORTED GOODS

1. Goods re-exported from a free zone located in the territory of one Party (hereinafter referred to as the "reexporting Party"), to the territory of the other Party (hereinafter referred to as the importing Party"), shall maintain the originating status granted under a preferential trade agreement in accordance with Article XXIV of the GATT 1994 between the importing Party and a non-Party (hereinafter referred to as the "preferential trade agreement"), subject to the provisions established in paragraph 2.

2. For the purpose of the application of paragraph 1, it is required that:

- (a) the goods remained under customs control and supervision, of the reexporting Party;
- (b) the goods have not undergone operations besides those allowed by the preferential trade agreement. Unless otherwise provided by the preferential trade agreement, these operations may include: transshipment, warehousing, deconsolidation or splitting up of consignments, sales, packaging, bottling, making up of sets, labeling of packages or consolidation;
- (c) the goods have not undergone production in the free zones; and
- (d) all other provisions of the said preferential trade agreement are fulfilled.

3. The importer that requests preferential tariff treatment in accordance with the preferential trade agreement between the importing Party and the non-Party shall present, together with the Certificate of Origin or preferential document according to the preferential trade agreement, a certificate of reexportation or any other document that confirms and specifies the operations that the goods have undergone and that they remained under customs control.

4. The provisions of this Article shall not prejudice the preferential trade agreement between the importing Party and the non-Party. In case of contradiction between the provisions of this article and the preferential trade agreement between the importing Party and the non-Party, the preferential trade agreement shall prevail.

ARTICLE 3.15: EXHIBITIONS

1. Originating goods, sent for exhibition to a third country other than the Parties and sold after the exhibition for importation in the Parties shall benefit on importation from the provisions of this Agreement providing the satisfaction of the customs authorities that:

- (a) an exporter has consigned these goods from the Parties to the third country in which the exhibition is held and has exhibited them there;
- (b) the goods have been sold or otherwise disposed of by that exporter to a person in the Parties;
- (c) the goods have been consigned during the exhibition or immediately thereafter in the third country to which they were sent for exhibition; and
- (d) the goods have not been used, since they were consigned for exhibition, 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 this Chapter and submitted to the customs authorities of the importing Party in the normal manner. The name and address of the exhibition must be indicated thereon.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign goods, and during which the goods remain under customs control.

ARTICLE 3.16: GENERAL REQUIREMENTS FOR PROOF OF ORIGIN

For the purpose of this Chapter, **Certificate of Origin** means either an Electronic Certificate of Origin or a Paper Certificate of Origin.

1. Products originating in a Party, on importation into the other Party, shall, benefit from this Agreement upon submission in accordance with the law of the importing Party of one of the following proofs of origin:

- (a) a Certificate of Origin, set out in Annex 3-B; or
 - (b) in the cases specified in Article 3.20, a declaration, subsequently referred to as the 'Invoice Declaration' given by an exporter on an invoice, which describes the products concerned in sufficient detail to enable them to be identified; the text of the Invoice Declaration is set out in Annex 3-D; or
 - (c) in the cases specified in Article 3.21, a declaration, subsequently referred to as the 'Approved Exporter Declaration' given by an Approved Exporter on an invoice, which describes the products concerned in sufficient detail to enable them to be identified.; the text of the Approved Exporter Declaration is set out in Annex 3-E.
2. Notwithstanding paragraph 1, originating products within the meaning of this Chapter shall, in the cases specified in Article 3.25, benefit from this Agreement without submit any of the documents referred to above.

ARTICLE 3.17: PROCEDURES FOR THE ISSUANCE OF CERTIFICATES OF ORIGIN

1. Certificates of Origin shall be issued by the competent authorities of the exporting Party, either upon an electronic application or an application in paper form, by the exporter or under the exporter's responsibility by his authorized representative, in accordance with the law of the exporting Party.
2. For the purpose of paragraph 1, the exporter or his authorized representative shall fill out the electronic or paper form in accordance with Annex 3-B. These forms shall be completed in English. In special cases, the importing Party may require a translation of the Certificate of Origin.
3. The exporter applying for the issuance of a Certificate of Origin shall be prepared to submit at any time, at the request of the customs authorities of the exporting Party, all appropriate documents proving the originating status of the goods concerned, as well as the fulfillment of the other requirements of this Chapter.
4. Certificates of Origin shall be issued if the goods to be exported can be considered as products originating in the exporting Party in accordance with this Chapter.
5. The competent authorities shall take any steps necessary to verify the originating status of the products and the fulfillment of the other requirements of this Chapter. For this purpose, they shall have the right to require any evidence and to carry out any inspection of the exporter's books or any other check considered appropriate.
6. Each Certificate of Origin will be assigned a specific number by the issuing competent authorities.
7. Certificates of Origin shall be issued by the competent authorities and made available to the exporter as soon as the actual exportation has been effected or ensured.

ARTICLE 3.18: CERTIFICATES OF ORIGIN ISSUED RETROSPECTIVELY

1. Notwithstanding Article 3.17.7, a Certificate of Origin may exceptionally be issued after exportation of the products to which it relates if it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances or it is demonstrated to the satisfaction of the competent authorities that the Certificate was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the Certificate of Origin relates, and state the reasons for his request.
3. The issuing competent authorities may issue a Certificate of Origin retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.
4. It shall be indicated on the Certificates of Origin issued in accordance with this Article that they were issued retrospectively in the Field No. 13, as detailed in Annex 3-B.
5. The provisions of this Article may also be applied to goods that on the date of entry into force of the Agreement are either in transit or are in Israel or in Panama in temporary storage under customs control, subject to the submission to the competent authorities of the importing Party, within six (6) months of the said date, of a Certificate of Origin issued retrospectively by the competent authorities of the exporting Party together with the documents showing that the goods have been transported directly in accordance with the provisions of Article 3.13.

ARTICLE 3.19: DUPLICATE CERTIFICATES OF ORIGIN

1. In the event of theft, loss or destruction of a Certificate of Origin in paper form, the exporter may apply to competent authorities that issued it for a duplicate made out on the basis of the export documents in their possession.
2. The Certificates of Origin shall indicate, in Field No. 13 that they are duplicates, as detailed in Annex 3-B.
3. The duplicate, shall bear the date of issue of the original Certificate of Origin, and shall take effect as from that date.

ARTICLE 3.20: CONDITIONS FOR MAKING OUT AN INVOICE DECLARATION

1. An Invoice Declaration as referred to in Article 3.16.1(b) may be made out by any exporter where the value of the originating good does not exceed one thousand US dollar (USD 1.000). An invoice declaration as referred to in Article 3.16(1)(c) may only be made out by an approved exporter as per Article 3.21.

2. The exporter or the approved exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the competent authorities of the exporting Party, all appropriate documents proving the originating status of the products concerned, as well as the fulfilment of the other requirements of this Chapter.

3. An Invoice Declaration, which text appears in Annex 3-D shall be made out either by the approved exporter as per Article 3.21, or the exporter as per Article 3.16(1)(b) by typing, or handwriting in printed characters on the invoice, the delivery note or another commercial document.

ARTICLE 3.21: APPROVED EXPORTERS

1. The competent authorities of the exporting Party may grant the status of 'approved exporter' to any exporter, who makes frequent shipments of products under this Agreement, in order to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the competent authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Chapter.

2. The competent authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.

3. The competent authorities shall provide the approved exporter with a customs authorisation number which shall be indicated on the Invoice Declaration.

4. The competent authorities shall monitor the use of the authorisation by the approved exporter.

5. The competent authorities may withdraw the authorization at any time. It shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, no longer fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorization.

ARTICLE 3.22: VALIDITY OF PROOF OF ORIGIN

1. Proof of origin shall be valid for twelve (12) months from the date of issue in the exporting Party, and must be submitted within that period to the customs authorities of the importing Party.

2. Proof of origin which are submitted to the customs authorities of the importing Party 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 exceptional circumstances.

3. In other cases of belated presentation, the customs authorities of the importing Party may accept the proofs of origin where the products have been submitted before the said final date.

ARTICLE 3.23: SUBMISSION OF PROOF OF ORIGIN

Proof of origin shall be submitted to the customs authorities of the importing Party in accordance with the procedures applicable in that Party. Those authorities may 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 this Agreement.

ARTICLE 3.24: IMPORTATION BY INSTALLMENTS

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the HS are imported by installments; a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first installment.

ARTICLE 3.25: EXEMPTIONS FROM 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 proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Chapter 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 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 the nature and quantity of the products is not for commercial purpose.
3. Furthermore, the total value of these products shall not exceed five hundred US dollar (USD 500) in the case of small packages or one thousand US dollar (USD 1,000) in the case of products forming part of travellers' personal luggage.

ARTICLE 3.26: AMOUNTS EXPRESSED IN US DOLLAR

1. For the application of the provisions of Article 3.20 and Article 3.25(3) of this Chapter in cases where products are invoiced in a currency other than US dollar, amounts in the national currencies of the Parties equivalent to the amounts expressed in US dollar shall be fixed annually by each of the Parties.
2. A consignment shall benefit from the provisions of Articles 3.20 and 3.25(3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the Party concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that currency of the amounts expressed in US dollar as at the first working day of October.

The amounts shall be communicated to the competent authorities the other Party by October 15 and shall apply from January 1 the following year.

4. A Party may round up or down the amount resulting from the conversion into its national currency of an amount expressed in US dollar. The rounded off amount may not differ from the amount resulting from the conversion by more than 5%. A country may retain unchanged its national currency equivalent of an amount expressed in USD if, at the time of the annual adjustment provided for in paragraph 3, the conversion of that amount, prior to any rounding off, results in an increase of less than 15% in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion would result in a decrease in that equivalent value.

ARTICLE 3.27: SUPPORTING DOCUMENTS

1. The documents referred to in Articles 3.17(3) and 3.20(2) used for the purpose of proving that products covered by a Certificate of Origin or an Invoice Declaration can be considered as products originating in the Parties and fulfill the other requirements of this Chapter may consist *inter alia* of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in the Parties where these documents are used in accordance with the laws of the Parties;
- (c) documents proving the working or processing of materials in the Parties, issued or made out in the Parties, where these documents are used in accordance with the laws of the Parties;
- (d) Certificates of Origin or invoice declarations proving the originating status of materials used, issued or made out in the Parties in accordance with this Chapter;
- (e) appropriate evidence concerning working or processing undergone outside Israel or Panama by application of Article 3.12, proving that the requirements of that Article have been satisfied.

2. In the case where an operator situated in a third country which is not the exporting Party, issues an invoice covering the consignment, that fact shall be indicated in the Certificate of Origin in accordance with Annex 3-B.

ARTICLE 3.28: PRESERVATION OF PROOF OF ORIGIN AND SUPPORTING DOCUMENTS

1. The exporter applying for the issue of the Certificate of Origin shall keep for at least five (5) years the documents referred to in Article 3.17(3) as well as the supporting documents to the certificate of origin.

2. The exporter making out an Invoice Declaration shall keep for at least five (5) years a copy of this Invoice Declaration, as well as the documents referred to in Article 3.20(2).
3. The competent authorities in the exporting Party that issued a Certificate of Origin shall keep for at least five (5) years any document relating to the application procedure referred to in Article 3.17(2).
4. The competent authorities of the importing Party shall keep for at least five (5) years the Certificates of Origin and the Invoice Declarations submitted to them.

ARTICLE 3.29: DISCREPANCIES AND FORMAL ERRORS

1. The discovery of slight discrepancies between the statements made in the proofs of origin 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 proofs of origin null and void if it is duly established that this document does correspond to the products submitted.
2. Obvious formal errors on a proof of origin 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 3.30: MUTUAL ASSISTANCE

1. The customs authorities of the Parties shall provide each other with the addresses of the customs authorities responsible for verifying Certificates of Origin and Invoice Declarations.
2. In order to ensure the proper application of this Chapter, the customs authorities of the Parties shall assist each other, through their respective customs authorities, in checking the authenticity of the Certificates of Origin, the Invoice Declarations and the correctness of the information given in these documents. To the extent of each Party's competence, its resources and in accordance with its law, such assistance shall include, *inter alia*, granting, to the designated customs officers from one Party, access to the other Party's website where the Certificates of Origin are stored.

ARTICLE 3.31: VERIFICATION OF PROOFS OF ORIGIN

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing Party have reasonable doubts of the authenticity of proofs of origin, the originating status of the products concerned or the fulfilment of the other requirements of this Chapter.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing Party shall transmit requests for verification of origin through

electronic means to the customs authorities of the exporting Party. The request for verification shall include the number of the Certificate of Origin or in the case of an Invoice Declaration, a copy thereof. In support of the request for verification, where needed, the reasons for the request should be indicated, and any documents and information obtained suggesting that the information given on the proofs of origin is incorrect should be attached.

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

4. If the customs authorities of the importing Party decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered 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 by electronic means as soon as possible, but not later than ten (10) months from the date of the request. These results must indicate clearly whether the information contained in the proofs of origin and the supporting documents is correct, and whether the products concerned can be considered as products originating in the Parties and fulfil the other requirements of this Chapter.

6. If in cases of reasonable doubt there is no reply within ten (10) months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the proofs of origin or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

7. This Article shall not preclude the exchange of information or the granting of any other assistance as provided for in customs cooperation agreements.

8. Where disputes arise in relation to the verification procedures which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out the verification or with respect to the interpretation of this Chapter, the matter shall be submitted to the Committee established in Article 4.13 (Committee on Rules of Origin, Custom Procedures and Trade Facilitation).

9. In all cases of disputes between the importer and the customs authorities of the importing Party shall be under the law of such Party.

ARTICLE 3.32: COMMON PROCEDURES

The Committee on Rules of Origin, Custom Procedures and Trade Facilitation may draft uniform procedures, which it considers necessary to be submitted to the Joint Committee for its approval.

ARTICLE 3.33: AMENDMENTS TO THE CHAPTER

The Joint Committee may decide to amend the provisions of this Chapter.

**ANNEX 3-A
SPECIFIC RULES OF ORIGIN**

**CHAPTER 1
LIVE ANIMALS**

01.01 - 01.06	Wholly Obtained.
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**CHAPTER 2
MEAT AND EDIBLE MEAT OFFAL**

02.01 – 02.10	Wholly Obtained.
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**CHAPTER 3
FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC
INVERTEBRATES**

03.01 – 03.08	Wholly Obtained, except for Salmon in heading 03.05, allowing the importation of Salmon from heading 03.02 through 03.04.
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**CHAPTER 4
DAIRY PRODUCE; BIRD EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF
ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED**

04.01 – 04.05	Wholly Obtained.
0406.10	Wholly Obtained, except for mozzarella cheese, the value of all non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
0406.20	Wholly Obtained.
0406.30	A change to subheading 0406.30 from any other chapter, or the value of all non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
04.07 – 04.10	A change to heading 04.07 through 04.10 from any other chapter.

CHAPTER 7
EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS

07.01 – 07.14	Wholly Obtained.
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CHAPTER 8
EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUIT OR MELONS

08.01 – 08.14	Wholly Obtained.
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CHAPTER 9
COFFEE, TEA, MATE AND SPICES

09.01	Wholly Obtained.
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CHAPTER 10
CEREALS

10.01 – 10.08	A change to heading 10.01 through 10.08 from any other chapter.
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CHAPTER 11
PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN;
WHEAT GLUTEN

11.01 – 11.08	A change to heading 11.01 through 11.08 from any other chapter.
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CHAPTER 15
ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE
PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES

15.01 – 15.18	A change to heading 15.01 through 15.18 from any other chapter.
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CHAPTER 16
PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR
OTHER AQUATIC INVERTEBRATES

16.01 – 16.02	A change to heading 16.01 through 16.02 from any other chapter, except from heading 02.01, 02.02, 02.03, 02.07, allowing the use of mechanically deboned poultry meat of heading 02.07.
16.03 – 16.05	A change to heading 16.03 through 16.05 from any other chapter.

CHAPTER 17
SUGARS AND SUGAR CONFECTIONERY

17.01 – 17.04	A change to heading 17.01 through 17.04 from any other chapter.
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CAPITULO 19
PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS’
PRODUCTS

19.01	A change to heading 19.01 from any other chapter except from chapter 04.
19.02	A change to heading 19.02 from any other chapter except from heading 11.01.
19.03	A change to heading 19.03 from any other chapter.
19.04 – 19.05	A change to heading 19.04 through 19.05 from any other chapter, except from heading 11.01 or chapter 17.

CHAPTER 20
PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF
PLANTS

20.01	A change to heading 20.01 from any other chapter
20.02	A change to heading 20.02 from any other chapter, except from

	heading 07.02.
20.03 – 20.08	A change to heading 20.03 through 20.08 from any other chapter.
2009.11 – 2009.81	A change to heading 2009.11 through 2009.81 from any other chapter.
2009.89	A change to subheading 2009.89 from any other subheading, allowing the use of non-originating concentrates of guava, apple, pear, peach, mango, grape, or soursop juice within the group.
2009.90	A change to subheading 2009.90 from any other subheading.

**CHAPTER 21
MISCELLANEOUS EDIBLE PREPARATION**

21.01 – 21.02	A change to heading 21.01 through 21.02 from any other chapter.
21.03	A change to heading 21.03 from any other chapter, except from heading 07.02, 20.02.
21.04 – 21.05	A change to heading 21.04 through 21.05 from any other chapter.
21.06	A change to heading 21.06 from any other chapter, except from chapter 17.

**CHAPTER 22
BEVERAGES, SPIRITS AND VINEGAR**

22.01	A change to heading 22.01 from any other chapter.
22.02	A change to heading 22.02 from any other chapter, except from the chapters 04, 17 and 19.
22.03 – 22.06	A change to heading 22.03 through 22.06 from any other chapter.
22.07 – 22.08	A change to heading 22.07 from any other chapter, except from the heading 17.03.
22.09	A change to heading 22.09 from any other heading.

CHAPTER 24
TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES

24.01	A change to heading 24.01 from any other chapter.
2402.10	A change to subheading 2402.10 from any other chapter.
2402.20 – 2402.90	A change to subheading 2402.20 through 2402.90 from any other heading, except from fine-cut tobacco from 2403.19.
24.03	A change to heading 24.03 from any other heading.

CHAPTER 25
SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME
AND CEMENT

25.01	A change to heading 25.01 from any other chapter.
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CHAPTER 34
SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS,
LUBRICATING PREPARATIONS, ARTIFICIAL WAXES, PREPARED WAXES,
POLISHING OR SCOURING PREPARATIONS, CANDLES AND SIMILAR
ARTICLES, MODELING PASTES, DENTAL WAXES AND DENTAL
PREPARATIONS WITH A BASIS OF PLASTER

3402.11 – 3402.19	A change to subheading 3402.11 through 3402.19 from any other heading.
3402.20	A change to subheading 3402.20 from any other subheading, except from subheading 3402.90.

CHAPTER 84
NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL

APPLIANCES; PARTS THEREOF

Note: The inclusion of substantial software developed in one of the Parties in a good classified under this chapter shall be considered as a manufacturing process pursuant to Article 4.5(1).

84.01 – 84.17	A change from any other heading within the group; or The value of all the non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
8418.10 - 8418.69	A change from any other subheading, except from subheading 8418.91.
8418.91 – 8418.99	A change to subheading 8418.91 through 8418.99 from any other heading; or The value of all the non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
84.19 – 84.87	A change from any other heading within the group; or The value of all the non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.

**CHAPTER 85
ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF;
SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND
SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES
OF SUCH ARTICLES**

Note: The inclusion of substantial software developed in one of the Parties in a good classified under this chapter shall be considered as a manufacturing process pursuant to Article 4.5(1).

85.01 – 85.47	A change from any other heading within the group; or
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	The value of all non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
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CHAPTER 87
**VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING – STOCK,
AND PARTS AND ACCESSORIES THEREOF**

Note: The inclusion of substantial software developed in one of the Parties in a good classified under this chapter shall be considered as a manufacturing process pursuant to Article 4.5(1).

87.08	A change from any other heading; or The value of all non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
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CHAPTER 90
**OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING,
CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND
APPARATUS; PARTS AND ACCESSORIES THEREOF**

Note: The inclusion of substantial software developed in one of the Parties in a good classified under this chapter shall be considered as a manufacturing process pursuant to Article 4.5(1).

90.01 – 90.33	A change from any other subheading within the group; or The value of all non-originating materials used in its manufacture does not exceed 50% of the ex-works price of the good.
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ANNEX 3-B - CERTIFICATE OF ORIGIN

FREE TRADE AGREEMENT BETWEEN THE STATE OF ISRAEL AND THE REPUBLIC OF PANAMA

1. Certificate No.		2. Country of Origin	
3. Exporter (name, address, country, phone number, email) Tax ID:		4. Period of validity D M Y D M Y From: ___/___/___/___ / To: ___/___/___/___/	
5. Producer (name, address, country, phone number, email): ID:		6. Importer name, (address, country, phone number, email): ID:	
7. Commercial Invoices:		8. <input type="checkbox"/> Insufficient working or processing: Specify the processing:	
9. Description of the Goods	10. Tariff Classification	11. Origin Criteria	12. Gross Weight or Other Measure
13. Observations: <input type="checkbox"/> Duplicate <input type="checkbox"/> Issued Retrospectively <input type="checkbox"/> Working or Processing in accordance with Article 4.12.3 <input type="checkbox"/> Other: _____			
ORIGIN CERTIFICATION			
14. Declaration by: <input type="checkbox"/> The producer <input type="checkbox"/> The exporter (if not the producer) I certify that: - The information on this document is true and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made or in connection with this document; - I agree to maintain, and present upon request, documentation necessary to support this Certificate, and to inform, in writing, all persons to whom the Certificate was given of any changes that would affect the accuracy or validity of this Certificate; Date: <p align="center">Stamp and Signature</p>		15. Certification by the Issuing Authority: <hr/> <p align="center">Name of the Issuing Authority</p> We hereby certify the authenticity of this certificate and that it was issued in accordance with the provisions of the Agreement. Date: <p align="center">Stamp and Signature</p>	

INSTRUCTIONS ON FILLING OUT A CERTIFICATE OF ORIGIN

FREE TRADE AGREEMENT BETWEEN THE STATE OF ISRAEL AND THE REPUBLIC OF PANAMA

General

The instructions below apply to both electronic and paper Certificates of Origin. Either one may be used for the purpose of obtaining preferential treatment for the importing Party.

Each Party may decide on the means of obtaining a Certificate of Origin, including publication on the Internet. The format of the Certificate of Origin shall be identical to the one that appears in this Annex, and must comply with the requirements stated in the previous paragraph. Any alteration or omission shall render the Certificate void.

The Certificate of Origin must be completed in accordance with the following instructions, together with the relevant provisions set forth in this Agreement.

Field No. 1 - "Certificate Number"

This Field is for the use of the issuing authority, which shall fill in the Certificate number.

Field No. 2 - "Country of Origin"

This Field shall bear the name of the country where the goods in question obtained their originating status.

Field No. 3 - "Exporter"

This Field shall bear the details of the exporter, his name and address in the exporting country.

Field No.4 – "Period of validity"

This field must be completed by the competent authority. The effect will be 12 months from the date of signature of the competent authority.

Field No. 5 – "Producer"

If there is only one producer, indicate the full name, address (including city and country), telephone number, email address and tax identification number of the producer.

If more than one producer is included in the certificate, indicate "VARIOUS" and attach a list of all producers, indicating the full name, address (including city and country), telephone number, e-mail and tax identification number of each producer.

If for commercial reasons it's not possible to designate the producer, the exporter shall complete the box with "Unknown".

Field No. 6 - "Importer"

This Field shall bear the details of the importer of the goods in the country of final destination. If, for commercial reasons it is not possible to designate the importer, the exporter shall complete the Field with "Unknown".

Field No. 7 - "Commercial Invoices"

This Field shall bear the serial number of the invoices that are covered by the Certificate. If, for commercial reasons it is not possible to designate the number of an invoice, the exporter shall complete the Field with **"Unknown"**.

Field No. 8 - "Insufficient working or processing"

If the goods have undergone in a non-Party, one of the operations detailed in Article 3.6 of Chapter of Rules of Origin, it shall be marked in this box and describe which of the following operation(s) the goods have undergone:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) simple changing of packaging and breaking-up and assembly of packages;
- (c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
- (d) simple painting and polishing operations, including applying oil;
- (e) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (f) ironing or pressing of textiles;
- (g) operations to colour sugar or form sugar lumps;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (l) dilution in water or other substances, providing that the characteristics of the products remain unchanged;
- (m) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) simple mixing of products, whether or not of different kinds;
- (p) slaughter of animals;
- (q) a combination of two or more of the above operations.

Field No. 9 - "Description of the Goods"

This Field shall bear a detailed description of all the goods covered by this Certificate.

Field No. 10 – "Tariff Classification"

For each good described in Field 6, identify the six digits corresponding to the Harmonized System (HS).

Lack of correspondence between the HS Code detailed on the Certificate and the actual classification by the competent authority of the importing country, shall not in itself constitute a reason for voiding the Certificate.

Field No. 11 – "Origin Criteria"

In the field reserved for Origin Criteria - the manner in which the goods obtained their originating status according to the Article 3.2 (General Requirements) of Chapter of Rules of Origin, shall be detailed as follows:

"A" for goods that were wholly obtained in the territory of the Parties, as specified in Article 3.4.

"B" for goods that were not wholly obtained, but their non-originating materials were sufficiently processed and underwent a change of Heading (4 digits).

"C" for goods that were not wholly obtained, but their non-originating materials were sufficiently processed and the value of those non-originating materials do not exceed the amounts specified in Article 3.5.

"D" for goods that are included in the list of Product Specific Rules of Origin, as specified in Annex 3-A

Field No. 12 – “Gross Weight or Other Measure”

In the field reserved for gross weight or other quantity - the gross weight or any other units of measure of the goods shall be indicated.

Field No. 13 - "Observations"

This Field shall bear observations made by the country of exportation, for example, "**DUPLICATE**", "**ISSUED RETROSPECTIVELY**", "**WORKING OR PROCESING IN ACCORDANCE WITH ARTICLE 3.12.3**" or any other relevant information.

Field No. 14 - "Declaration by the Exporter"

The exporter shall indicate in the proper field whether or not he or she is the producer. If the exporter is also the producer of the goods covered by the Certificate, he or she shall mark the Field "**Producer**". If not, he or she shall mark the Field "**Exporter**".

Field No. 15 - "Certification"

This Field shall bear the details of the certifying authority, and shall be signed and stamped by that authority.

1. ANNEX 3-C
PROCEDURES REGARDING ELECTRONIC CERTIFICATES OF ORIGIN
(ARTICLE 3.16)

2. Storage of Electronic Certificates of Origin

Electronic Certificates of Origin will be stored on the Internet site by the competent governmental authorities of the exporting country.

3. Implementation

The competent authorities, where applicable, shall exchange user names and passwords that will enable access to their Internet sites. This access will be granted only for the purpose of checking a specific Electronic Certificate of Origin by means of the certificate number that was submitted at the time of importation.

4. Technical Aspects

The Parties, through the Committee on Customs, Trade Facilitation and Rules of Origin, shall agree upon the technical details of the implementation of this Annex.

ANNEX 3-C -1

ANNEX 3-D
INVOICE DECLARATION PURSUANT TO ARTICLE 3.20

The exporter of the products covered by this document declares that these products, unless otherwise clearly specified, comply with the provisions of the Free Trade Agreement between the State of Israel and the Republic of Panama.

Place and Date

Signature of the Exporter

ANNEX-3-D-1

ANNEX 3-E

APPROVED EXPORTER DECLARATION PURSUANT TO ARTICLE 3.21

The exporter of the products covered by this document, (customs authorization No.....¹) declares that, except where otherwise clearly indicated, these products are of (.....²) preferential origin.

¹ Approved exporter number given by the exporting country.

² Country of origin Israel or Panama

CHAPTER 4
CUSTOMS PROCEDURES AND TRADE FACILITATION

ARTICLE 4.1: PUBLICATION AND TRANSPARENCY

1. The Parties shall promptly publish or otherwise make publicly available, including on the Internet, their laws, regulations, administrative procedures, and administrative rulings of general application in customs matters that pertain to or affect the operation of this Agreement, so as to enable interested persons and parties to become acquainted with them.

2. Each Party shall designate or maintain one or more inquiry points to address information requests by interested persons concerning customs matters and shall make available, on the Internet, information concerning the procedures for making such inquiries.

ARTICLE 4.2: CUSTOMS COOPERATION

1. The Parties shall cooperate in order to ensure the implementation and operation of this Agreement as they relate to:

- (a) importations or exportations within the framework of this Agreement;
- (b) preferential treatment and claims procedures;
- (c) verification procedures;
- (d) customs valuation;
- (e) tariff classification of goods; and
- (f) restrictions or prohibitions on imports and/or exports.

2. Each Party shall designate official contact points and provide details thereof to the other Party, with a view to facilitate the effective implementation of Chapter 3 (Rules of Origin) and of this Chapter. If a matter cannot be resolved through the contact points, it shall be referred to the Committee on Rules of Origin, Customs Procedures and Trade Facilitation established in Article 4.13.

ARTICLE 4.3: TRADE FACILITATION

1. The Parties shall apply their respective customs laws and procedures in a transparent, consistent, and predictable manner in order to facilitate the free flow of trade under this Agreement.
2. Pursuant to paragraph 1, the Parties shall:
 - (a) simplify their customs procedures to the greatest extent possible; and
 - (b) make use of information and communications technology in their customs procedures.
3. The Parties shall endeavor to improve trade facilitation by mutual consultations and exchange of information between their respective Customs Authorities, according to each Party's law.

ARTICLE 4.4: RELEASE OF GOODS

1. Each Party shall endeavor to ensure that its Customs Authority and other competent authorities adopt or maintain procedures that:
 - (a) provide for the release of goods within a period no greater than required to ensure compliance with its customs laws;
 - (b) provide for advance electronic submission and processing of information before the physical arrival of goods to enable their release upon arrival; and
 - (c) allow goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities.
2. Each Party shall endeavor, when possible and in accordance with its law, to enable competent administrative entities, intervening in control and physical inspection of goods, either imports or exports, to perform their activities simultaneously and in a single place.

ARTICLE 4.5: AUTOMATION

1. The Parties shall endeavor to use information technology that expedites the procedures for releasing goods. When choosing the information technology to be used for that purpose, each Party shall:
 - (a) make efforts to use standards and practices internationally recognized;
 - (b) make electronic systems accessible to the authorized users according to each Party's law;

- (c) provide for electronic submission and processing of information and data before the arrival of the shipment in order to allow the release of the goods upon arrival, in accordance with the provisions of Article 4.4;
- (d) apply electronic or automated systems for risk analysis;
- (e) where possible and according to each Party's law, work towards developing electronic systems that are compatible between the customs authorities of each Party in order to facilitate the exchange of bilateral trade data; and
- (f) endeavor to work together to develop a set of processes and common data elements in accordance with *World Customs Organization (WCO) Customs Data Model and Related WCO Recommendations and Guidelines*.

ARTICLE 4.6: EXPRESS SHIPMENTS

Each Party shall adopt or maintain separate customs procedures for the expedited release of express shipments. These procedures shall:

- (a) to the extent possible or where applicable, provide for advance electronic submission and processing of information before physical arrival of express shipments to enable their release upon arrival;
- (b) according to each Party's law and where applicable, may allow a shipper to submit a document covering all goods contained in a shipment, if possible by electronic means;
- (c) to the extent possible, reduce the documents required for clearance of express shipments and provide for clearance of certain goods with a minimum of documentation; and
- (d) allow a shipment to be dispatched as soon as possible, after the presentation of the necessary information for its release.

ARTICLE 4.7: RISK MANAGEMENT

1. Each Party shall endeavor to adopt or maintain a risk management system that enables its Customs Authority to focus its inspection on high-risk consignments and expedite the release of low-risk consignments through customs.

2. The above shall not preclude a Party from conducting control which may require more extensive examinations.

ARTICLE 4.8: ADVANCE RULINGS

1. In accordance with its law, each Party shall endeavor to provide, through its Customs or other competent authorities, the expeditious issuance of written advance rulings.
2. Subject to the provisions of Chapter 3 (Rules of Origin) and each Party's law, the Customs Authorities shall issue an advance ruling concerning:
 - (a) the tariff classification of goods;
 - (b) compliance with the rules of origin as set forth in Chapter 3 (Rules of Origin) of this Agreement; as well as the eligibility of such goods for preferential treatment under this Agreement.
 - (c) other matters that the Parties agree upon, subject to the law of each Party.
3. Each Party shall adopt or maintain procedures for the issuance of such advance rulings, including the details of the information required for processing an application for a ruling.
4. A Party may decline to issue an advance ruling if the facts and circumstances, that are the basis of the advance ruling, are subject to an investigation or an administrative or judicial review. The Party that declines to issue an advance ruling shall promptly notify the applicant in writing, and will set forth the relevant facts and the basis for its decision.
5. Each Party shall provide that advance rulings shall be in force from their date of issuance or another date specified in the ruling. Notwithstanding paragraphs 1 to 4, an advance ruling shall remain in force, provided that the facts or circumstances on which the ruling is based remain unchanged, or for the period specified in the laws, regulations or administrative rulings of the importing Party.
6. To the extent possible, each Party shall permit the electronic filing of advance rulings and processing of information before the arrival of goods.

ARTICLE 4.9: AUTHORIZED ECONOMIC OPERATORS

1. The Parties shall promote the implementation of the Authorized Economic Operator (hereinafter referred to as "AEO") according to *World Customs Organization SAFE Framework of Standards*.
2. Each Party shall promote the granting of AEO status to its economic operators with a view of achieving trade facilitation benefits.
3. The Parties shall endeavor to promote a mutual recognition agreement for Approved Economic Operators (AEOs).

ARTICLE 4.10: REVIEW AND APPEAL

Regarding its decisions on customs matters, each Party shall grant access to:

- (a) at least one level of administrative review, within the same institution of the official or authority responsible for the decisions under review, higher than or independent of the official or authority that issued the decision; and
- (b) judicial review of the decision taken at the final level of administrative review.

ARTICLE 4.11: PENALTIES

Each Party shall endeavor to adopt or maintain measures that allow for the imposition of civil or administrative penalties for violations of its customs laws and regulations.

ARTICLE 4.12: CONFIDENTIALITY

1. A Party shall maintain confidentiality of the information provided by the other Party pursuant to Chapter 3 (Rules of Origin) and this Chapter, and will protect it from disclosure that could prejudice the competitive position of the person providing the information. Any violation of confidentiality shall be treated in accordance with the law of each Party.

2. Such information shall not be disclosed without the specific permission of the Party providing such information, except to the extent that it may be required to be disclosed for law enforcement purposes or in the course of judicial proceedings.

ARTICLE 4.13: COMMITTEE ON RULES OF ORIGIN, CUSTOMS PROCEDURES AND TRADE FACILITATION

1. The Parties agree to establish a Committee on Rules of Origin, Customs Procedures and Trade Facilitation comprising by representatives of each Party to address the following issues:

- (a) monitoring the implementation and administration of Chapter 3 (Rules of Origin), and this Chapter;
- (b) review and recommend to the Joint Committee any changes to Annex 3-A (Specific Rules of Origin), including amendments to the HS;
- (c) any other issue related of Chapter 3 (Rules of Origin), and this Chapter.

2. The Committee on Rules of Origin, Customs Procedures and Trade Facilitation will meet within one (1) year from the date of entry into force of this Agreement and shall meet thereafter as agreed upon by the Parties
3. All decisions of the Committee on Rules of Origin, Customs Procedures and Trade Facilitation shall be taken by mutual consent.

ANNEX 4-A
MUTUAL ASSISTANCE IN CUSTOMS MATTERS

ARTICLE 1: DEFINITIONS

For the purposes of this Annex:

customs laws means such laws and regulations in force in the customs territories of the Parties, concerning the importation, exportation, transit of goods, transshipment or any other custom procedures as they relate, *inter alia*, to customs duties, charges and other taxes or to prohibitions, restrictions and other controls in respect of the movement of goods across national boundaries;

customs offense means any violation of the customs laws as well as any attempted violation thereof;

information means, *inter-alia*, reports, records, documents and documentation, whether computerized or not, as well as certified or authenticated copies thereof;

person means a natural person or a legal entity;

requested customs authority means the Customs Authority that receives a request for assistance under this Annex or that provides such assistance on its own initiative.

requesting customs authority means the Customs Authority that makes a request for assistance under this Annex or that receives such assistance on a Customs Authority's own initiative;

ARTICLE 2: SCOPE

In accordance with the law of the Parties:

1. The Parties shall provide each other assistance in order to insure the proper application of the customs laws, the accurate assessment of customs duties and other taxes on the importation and exportation of goods and the correct determination of the classification, value and origin of such goods.
2. The Parties shall also assist each other in the prevention, investigation, combating and prosecution of customs offenses.
3. Assistance under this Annex shall be provided in accordance with the law of the requested Party.
4. Assistance under this Annex shall be provided by the Customs Authorities of the Parties.

5. The provisions of this Annex are intended solely to provide for mutual assistance in customs matters between the Parties. They shall in no way give rise to a right on the part of any private person or legal entity to obtain, suppress or exclude any evidence, or to impede the execution of a request.

6. Assistance pursuant to this Annex shall not include the arrest or detention of persons nor the collection or forced collection of customs duties, other taxes, fines, or other monies.

ARTICLE 3: INSTANCES OF ASSISTANCE

1. Upon request, to the extent of its competence, its resources and in accordance with the law of the requested Party, the Customs Authorities shall inform each other whether goods exported from or imported into the customs territory of one Party have been lawfully imported into or exported from the customs territory of the other Party. This information shall, upon request, contain the customs procedure used for clearing the goods.

2. To the extent of its competence, its resources and in accordance with the law of the requested Party, the requested Customs Authority, either upon request or on its own initiative, subject to the subsequent written approval of the requesting Customs Authority, shall exercise surveillance over:

- a) means of transportation suspected of being used in the commission of customs offenses in the customs territory of the requesting Party;
- b) goods designated by the requesting Customs Authority as being the subject of an extensive illegal trade destined for the customs territory of the requesting Party;
- c) particular persons known to be or suspected of being engaged in the commission of a customs offense in the customs territory of the requesting Party;
- d) particular places where stocks of goods have been built up, giving reason to assume that they are to be used for illegal importation into the customs territory of the requesting Party.

3. The Customs Authorities of the Parties shall, in accordance with the law of the requested Party, furnish each other necessary information likely to be of use to the requesting Customs Authority, regarding acts related to customs offenses that have been committed or are expected to be committed within the customs territory of the other Party. In cases which could cause substantial damage to the economy, public health, security or any other vital interest of the other Party, such information shall be supplied, whenever possible, without being requested.

ARTICLE 4: PROFESSIONAL AND TECHNICAL COOPERATION AND ASSISTANCE

1. The Customs Authorities of the Parties, on their own initiative or upon request, shall provide each other with information regarding:

- a) enforcement actions that might be useful in preventing customs offenses and, in particular, special means of combating customs offenses;
- b) new methods used in committing customs offenses;
- c) observations and findings resulting from the successful application of new enforcement aids and techniques;
- d) techniques and improved methods of processing passengers and cargo; and
- e) information on their respective customs laws.

2. The Parties, through their respective Customs Authorities, shall seek to cooperate in, *inter-alia*:

- a) initiating, developing or improving specific training programs for their personnel;
- b) establishing and maintaining channels of communication between their Customs Authorities to facilitate the secure and rapid exchange of information;
- c) facilitating effective coordination between their Customs Authorities including the exchange of personnel, experts and the posting of liaison officers;
- d) the consideration and testing of new equipment and procedures;
- e) the simplification and harmonization of their respective customs procedures; and
- f) any other general administrative matters that may, from time to time, require their joint action.

ARTICLE 5: COMMUNICATION OF REQUESTS

1. Requests pursuant to the present Annex shall be made in writing. Documents that may be of help in the execution of such requests shall, when available, accompany them. When required, because of the urgency of the situation, oral requests may also be accepted, but they shall be confirmed in writing as soon as possible.

2. Requests pursuant to Paragraph 1 shall include the following information:
 - a) the authority making the request;
 - b) the nature of the proceedings;
 - c) the assistance sought, the object of and the reason for the request;
 - d) the names and addresses of the parties involved in the request, if known;
 - e) a brief description of the matter under consideration and the legal elements involved; and
 - f) the connection between the assistance sought and the matter to which it relates.
3. All requests shall be submitted in the English language.
4. If a request does not meet the formal requirements as per paragraph 2, its correction or completion may be requested. This need not delay the taking of precautionary measures that must be taken immediately.
5. Assistance shall be carried out by direct communication between the respective Customs Authorities.

ARTICLE 6: EXECUTION OF REQUESTS

1. The requested Customs Authority, to the extent of its competence and its resources, shall take all reasonable measures to execute a request within a reasonable amount of time.
2. If the requested Customs Authority does not have the information requested, it shall: endeavor to take necessary measures within the limits of their law and available resources to obtain such information.
3. In accordance with its competence and its law, the Customs Authority of either Party shall, upon the request of the Customs Authority of the other Party, conduct any necessary investigation and undertake verifications, inspections and fact-finding inquiries in connection with the matters referred to in this Annex.

ARTICLE 7: FILES AND DOCUMENTS

1. The Customs Authorities of the Parties shall, upon request and in accordance with the law of the requested Party, provide information relating to the transportation and shipment of goods showing the value, origin, disposition and destination of those goods.

2. Upon specific written request, copies of information and other materials provided pursuant to this Annex shall be appropriately authenticated or certified. Originals of such information and other materials shall only be requested in cases wherein copies would be insufficient.

3. The provision of the originals of information and other materials pursuant to this Annex shall not affect the rights of the requested Customs Authority nor of third parties thereto. Such originals shall be returned as soon as possible. Upon request, originals necessary for adjudicative or similar purposes shall be returned without delay.

4. Where necessary, the requested Customs Authority may supply, together with the information provided, all necessary instructions for its interpretation or utilization.

ARTICLE 8: SERVICE OF DOCUMENTS

1. Upon request, the requested Customs Authority shall, in accordance with the law of the requested Party, take all necessary measures in order to serve all documents and to notify all decisions falling within the scope of this Annex to an addressee residing or established in its territory.

2. The requested Customs Authority shall, to the extent possible, return a proof of service or notification in the manner specified in the request. If this is not possible or if the request cannot be carried out in the manner specified, the requesting Customs Authority shall be so informed and shall be advised of the reasons thereof.

ARTICLE 9: EXEMPTIONS FROM ASSISTANCE

1. In cases where the requested Party is of the opinion that the provision of assistance under this Annex would infringe upon its sovereignty, security, public policy, or any other substantive national interest, or involve the violation of a commercial, industrial, or professional secret, assistance may be refused or compliance may be conditioned upon the satisfaction of certain conditions or requirements.

2. In the event that a request is refused or cannot be complied with in full or in part, the requesting Customs Authority shall be notified, as soon as possible, of the fact and informed of the reasons thereof.

3. If the requesting Customs Authority requests assistance which it, itself, would not be able to provide, it shall draw attention to that fact in the request. Compliance with such a request shall then be within the discretion of the requested Customs Authority.

ARTICLE 10: CONFIDENTIALITY

1. Information and other communications received pursuant to this Annex may be used only for the purposes specified therein, except in cases where the requested Customs Authority has authorized in writing their use for other purposes.
2. Any information or other communications received by the Customs Authority of either Party, pursuant to this Annex, shall be treated as confidential and shall not be communicated to any person or entity outside the requesting Customs Authority that received them, except as provided for in this Annex.
3. Information and other communications received pursuant to this Annex may be used in investigations and in judicial and administrative proceedings, according with the law of each Party.
4. The provisions of Paragraph 2 shall not apply to cases concerning customs offenses relating to narcotic drugs and psychotropic substances. Such information may be communicated to other authorities in the requesting Party directly involved in combating illicit drug traffic. In addition, information on customs offenses relating to the public health, public security or environmental protection of the Party whose Customs Authority received the information may be conveyed to the competent governmental authorities who deal with such matters. Such information shall be treated as confidential and shall enjoy any and all protection afforded to similar information under the laws of confidentiality and secrecy as provided for in the law of the Party whose Customs Authority received them.
5. The requesting Customs Authority shall not use evidence or information obtained under this Annex for purposes other than those stated in the request without the prior written consent of the requested Customs Authority.

ARTICLE 11: COSTS

1. The Customs Authorities of the Parties shall normally waive all claims for the reimbursement of costs incurred in the execution of this Annex, with the exception of expenses for witnesses, fees of experts and the cost of interpreters other than government employees.
2. If expenses of a substantial and extraordinary nature are, or will, be required to execute a request, the Customs Authorities of the Parties shall consult to determine the terms and conditions under which the request will be carried out, as well as the manner in which the costs shall be borne.

ARTICLE 12: TERRITORIAL APPLICABILITY

This Annex shall apply to the Customs territories of the Parties.

ARTICLE 13: IMPLEMENTATION OF THE ANNEX

1. The Customs Authorities shall be responsible for the implementation of this Annex. They shall, *inter-alia*;

- a) communicate directly for the purpose of dealing with matters arising out of this Annex;
- b) after consultation, if necessary, issue any administrative directives or agreed upon procedures for the implementation of this Annex;
- c) endeavor by mutual accord to resolve any problems or doubts arising from the application of this Annex or any other customs matter which may arise between them;
- d) agree to meet, if one of them so requests, in order to discuss the application of this Annex or to discuss any other customs matters arising out of the relationship between them; and
- e) arrange for their investigation departments to be in direct contact with one another.
- f) this Annex shall not prejudice the application of a bilateral Agreement on mutual assistance in customs matters that may be concluded between the Parties; nor shall it prejudice the granting of assistance under any other international agreements concerning assistance in customs matters to which both sides are parties.

CHAPTER 5 SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 5.1: OBJECTIVES

The objectives of this Chapter are to:

- (a) protect human, animal and plant life or health in the territory of each Party while facilitating trade between them, subject to the scope of implementation of this Chapter, and
- (b) ensure that the Parties' sanitary or phytosanitary measures do not create unjustified barriers to trade.

ARTICLE 5.2: DEFINITIONS

For the purposes of this Chapter:

sanitary or phytosanitary measure means any measure referred to in Annex A, paragraph 1 of the SPS Agreement.

ARTICLE 5.3: SCOPE

This Chapter applies to all sanitary and phytosanitary measures that may, directly or indirectly, affect trade between the Parties.

ARTICLE 5.4: GENERAL PROVISIONS

The Parties reaffirm their rights and obligations under the *SPS Agreement* and incorporated it into this Agreement.

ARTICLE 5.5: SPS CONTACT POINTS

1. For the purpose of facilitating communication on sanitary or phytosanitary trade-related matters, the Parties establish the following Contact Points:

- (a) for Israel, the *Ministry of Economy and Industry, Foreign Trade Administration*; and
- (b) for Panama, *National Directorate for International Trade Agreement Administration and Commercial Defense of the Ministry of Commerce and Industries (Dirección Nacional de Administración de Tratados Comerciales*

Internacionales y Defensa Comercial del Ministerio de Comercio e Industrias),

or their successors.

2. For the purpose of implementing the provisions of this Chapter, the Parties agree to share information related to competent authorities of each Party with responsibility for sanitary or phytosanitary measures, listed in Annex 5-A.

ARTICLE 5.6: COOPERATION

The Parties shall endeavour to enhance the relationship between the Parties' competent authorities with responsibility for sanitary and phytosanitary matters. For this purpose, competent authorities shall:

- (a) communicate on sanitary and phytosanitary matters with a view to enhancing regulatory cooperation; and
- (b) promote cooperation on matters related to the implementation of the SPS Agreement, and in relevant international standard-setting bodies such as the *Codex Alimentarius Commission*, the *International Plant Protection Convention* (IPPC), and the *World Organization for Animal Health* (OIE), as appropriate.

ARTICLE 5.7: EXCHANGE OF INFORMATION

1. The Parties shall exchange information on proposed or actual sanitary or phytosanitary measures which affect or may likely to affect trade between them and relating to each Party's sanitary and phytosanitary regulatory system, including as extensible as possible the scientific and risk assessment basis for sanitary or phytosanitary measures as well as with respect to policies and procedures for the determination of equivalence.

2. The parties shall exchange information:

- (a) on results of import checks in case of rejected or non-compliant consignments, including the epidemiological findings, scientific basis and risk assessment basis concerning such rejections; and
- (b) upon request, the results of audits and the results of on-site verification procedures as they relate to trade between the Parties.

ARTICLE 5.8: TECHNICAL CONSULTATIONS

1. The Parties will work expeditiously to address any specific sanitary and phytosanitary trade-related issue and will commit to carry out the necessary technical level discussions in order to resolve it.
2. At any time, a Party may raise a specific sanitary and phytosanitary issue to the other Party through the Competent Authorities as referred to in Annex 5-A of this Chapter and in coordination with the Contact Points, and may request additional information related to the issue. The responding Party shall respond to the exporting Party's request in a timely manner.
3. If an issue is not resolved through the information exchanged under Article 7 and paragraph 2, upon request of either Party through its Contact Point, the Parties shall meet in a timely manner to discuss specific sanitary and phytosanitary issues, to avoid a disruption in trade and reach a mutually acceptable solution. The Parties shall meet either in person or using available technological means. If a face to face meeting is required, the Party requesting the meeting shall travel to the territory of the other Party in order to discuss specific sanitary and phytosanitary issues, unless otherwise agreed.

ARTICLE 5.9: EMERGENCY MEASURES

1. Emergency measures imposed by an importing Party shall be notified to the other Party one (1) working day after the implementation of the decision, and the consults between the competent authorities shall be held upon request within ten (10) days after the date of the notification. The Parties shall consider any information provided through such consultations.
2. The importing Party shall consider information provided, in a timely manner, by the exporting Party when making decisions with respect to consignments that, at the time of adoption of emergency measures, are being transported between the Parties

ARTICLE 5.10: OVERSIGHT BODY

After making every effort to resolve sanitary and phytosanitary issue under Article 5.8, either Party may bring the sanitary and phytosanitary issue to the Committee on Trade in Goods as established in Article 2.15 (Committee on Trade in Goods) for further consideration, as appropriate.

ANNEX 5-A

COMPETENT AUTHORITIES

For the purposes of this Chapter, Competent Authority means:

(a) for the State of Israel:

- (i) *Plant Protection and Inspection Services (“PPIS”), Ministry of Agriculture and Rural Development;*
- (ii) *Veterinary Services & Animal Health (“IVSAH”), Ministry of Agriculture and Rural Development;*
- (iii) *The National Food Service – Ministry of Health;*
- (iv) *The Institute for Supervision and Standards of Medicinal Products of the Ministry of Health – Ministry of Health; and*

(b) for the Republic of Panama:

- (i) *National Directorate for International Trade Agreement Administration and Commercial Defense of the Ministry of Commerce and Industries (Dirección Nacional de Administración de Tratados Comerciales Internacionales y Defensa Comercial del Ministerio de Comercio e Industrias);*
- (ii) *National Directorate for Plant Health at the Ministry for Agriculture Development (Dirección Nacional de Sanidad Vegetal del Ministerio de Desarrollo Agropecuario);*
- (iii) *National Directorate for Animal Health at the Ministry for Agriculture Development (Dirección Nacional de Salud Animal del Ministerio de Desarrollo Agropecuario);*
- (iv) *Panama’s Authority for Food Safety (Autoridad Panameña de Seguridad de Alimentos); and*
- (v) *Food Protection Department at the Ministry for Health (Departamento de Protección de Alimentos del Ministerio de Salud);*

or their respective successors.

CHAPTER 6 TECHNICAL BARRIERS TO TRADE

ARTICLE 6.1: OBJECTIVES

1. The objectives of this Chapter are:
 - (a) to increase and facilitate trade between the Parties;
 - (b) to ensure that standards, technical regulations, and conformity assessment procedures do not create unnecessary obstacles to trade; and
 - (c) to enhance joint cooperation, between the Parties.

ARTICLE 6.2: GENERAL PROVISIONS

The Parties reaffirm their existing rights and obligations with respect to each other under the TBT Agreement, and to this end, the TBT Agreement is incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 6.3: DEFINITIONS

For the purposes of this Chapter, the definitions shall be those contained in Annex A of the TBT Agreement.

ARTICLE 6.4: SCOPE

1. This Chapter shall apply to the preparation, adoption and application of technical regulations, standards and conformity assessment procedures, including any amendment or addition thereto, that may affect trade in goods between the Parties.
2. Notwithstanding paragraph 1, this Chapter shall not apply to:
 - (a) technical specifications prepared by governmental bodies for production or consumption requirements of such bodies, for the purpose of Government Procurement, and
 - (b) sanitary or phytosanitary measures covered in Chapter 5 (Sanitary and Phytosanitary Measures).

ARTICLE 6.5: COOPERATION AND TRADE FACILITATION

1. The Parties shall strengthen their cooperation in the fields of standards, technical regulations, conformity assessment and metrology with a view to increase the mutual understanding of their respective systems and to facilitate access to their respective markets.

2. Pursuant to paragraph 1, the Parties shall seek to identify, develop and promote bilateral initiatives on cooperation and trade facilitation regarding standards, technical regulations, conformity assessment procedures and metrology that are appropriate for particular issues or sectors, taking into consideration, *inter alia*, the Parties' experience in regional and multilateral arrangements or agreements.

3. These initiatives may include:

- (a) cooperation on regulatory issues, such as transparency, the promotion of good regulatory practices, harmonization with international standards, and use of accreditation to qualify conformity assessment bodies;
- (b) technical assistance and cooperation regarding metrology;
- (c) initiatives to develop common views on good regulatory practices such as transparency, the use of equivalency and regulatory impact assessment; and
- (d) the use of mechanisms to facilitate the acceptance of the results of conformity assessment procedures conducted in the other Party's territory.

4. The Committee established under Article 2.15 (Committee on Trade in Goods) shall define priority sectors for cooperation described in paragraph 3.

5. The Parties shall maintain effective communication between their respective regulatory authorities and between their respective standardization bodies

6. Where a Party detains at a port of entry a good originating in the territory of the other Party due to a perceived failure to comply with a technical regulation, it shall immediately notify the importer of the reasons for the detention.

ARTICLE 6.6: INTERNATIONAL STANDARDS

1. The Parties shall:

- (a) apply the *Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 of the TBT Agreement* adopted¹ by the WTO Committee on Technical Barriers to Trade (hereinafter referred to as the "TBT Committee"), when determining whether an international standard,

¹ G/TBT/1/Rev.10, 9 June 2011 Annex B to part I (original Decision: January 1st, 1995)

guide, or recommendation exists within the meaning of Articles 2 and 5 and the scope of Annex 3 of the TBT Agreement;

- (b) encourage its standardization bodies to cooperate with the relevant standardization bodies of the other Party in international standardization activities;
- (c) exchange information on their standardization processes as well as on the extent they use international, regional or sub-regional standards as the basis for national standards; and
- (d) exchange general information on cooperation agreements concluded on standardization matters with a non-Party.

2. Each Party shall use relevant international standards, guides and recommendations to the extent provided in Articles 2.4 and 5.4 of the TBT Agreement, as a basis for its technical regulations and conformity assessment procedures.

ARTICLE 6.7: TECHNICAL REGULATIONS

1. The Parties shall endeavor to use international standards as a basis for preparing their technical regulations, unless those international standards are ineffective or inappropriate to achieving the legitimate objective pursued. A Party shall, upon request of the other Party, provide the reasons for not having used international standards as a basis for preparing its technical regulations.

2. Upon request of the other Party interested in developing a similar technical regulation, and in order to minimize the duplication of costs, a Party shall, to the extent possible, provide the requesting Party with any information, technical study, risk assessment or other available relevant document, on which that Party has relied for the development for such technical regulation excluding confidential information.

3. Upon request of the other Party and in order to enhance the market access between the Parties, a Party shall consider entering into negotiations in order to conclude an agreement for the acceptance of results of the conformity assessment procedures of the other Party.

4. Where a Party does not accept entering into negotiations with the other Party as specified in paragraph 3, it shall, upon request of the other Party, explain in writing the reasons for its decision.

ARTICLE 6.8: CONFORMITY ASSESSMENT AND ACCREDITATION

1. The Parties recognize the existence of a broad range of mechanisms to facilitate acceptance of the results of conformity assessment procedures of the other Party.

Accordingly, the Parties may negotiate toward an agreement covering the following objectives:

- (a) an acceptance of a suppliers' declaration of conformity;
- (b) an acceptance of the results of the conformity assessment procedures of the other Party, including those regarding specific technical regulations of the other Party;
- (c) that a conformity assessment body located in a Party's territory may enter into voluntary recognition agreements with a conformity assessment body located in the other Party's territory; and
- (d) a designation of conformity assessment bodies located in the other Party's territory.

2. To that end, the Parties shall:

- (a) exchange information on the range of mechanisms used in their territories;
- (b) consider initiating negotiations in order to conclude agreements to facilitate the acceptance in their territories of the results of conformity assessment procedures conducted by bodies located in the territory of the other Party, when it is in the interest of the Parties and it is economically justified; and
- (c) encourage their conformity assessment bodies to take part in agreements with the conformity assessment bodies of the other Party for the acceptance of conformity assessment results.

3. The Parties shall give consideration to a request by the other Party to negotiate agreements for the mutual recognition of the results of their respective conformity assessment procedures.

4. In order to enhance confidence, in the reliability of each one of the conformity assessment results, prior to an agreement as described in paragraph 3, the Parties may consult and exchange information on matters such as the technical competence of the conformity assessment bodies involved.

ARTICLE 6.9: METROLOGY

1. The Parties recognize that any evidence of compliance with technical requirements that must demonstrate conformity assessment bodies, must have metrological traceability to the *International System of Units of Measurement (SI)*.

2. The Parties recognize the calibration and measurement capabilities of the other Party, which are published in the *International Bureau of Weights and Measures* (BIPM)

3. To this end, the Parties may agree to:

- (a) technical exchanges between the National Institute of Metrology of the other Party or Designated Institutes of Credit;
- (b) conduct inter laboratory comparisons that demonstrate technical competence and comparability of results;
- (c) exchange test and calibration methods and the development of measurement systems of common interest; and
- (d) assist in the implementation and strengthen the metrological infrastructure of the other Party.

ARTICLE 6.10: TRANSPARENCY

1. Each Party shall, upon request of the other Party, provide information, including the objective of, and rationale for, a technical regulation or conformity assessment procedure which the Party has adopted or proposes to adopt.

2. A Party shall give appropriate consideration to the comments received from the other Party when a proposed technical regulation is submitted for public consultation and, upon request of the other Party, provide written answers to the comments made by the other Party.

3. The Parties shall ensure that all adopted technical regulations and conformity assessment procedures are publicly available.

ARTICLE 6.11: INFORMATION EXCHANGE

1. Any information or explanation that a Party provides upon request of the other Party pursuant to this Chapter shall be provided in print or electronically within a reasonable period of time. A Party shall endeavor to respond to such a request within sixty (60) days.

2. The contact point referred to in Article 6.13 shall be responsible for facilitating communication between the Parties on any matter covered by this Chapter, including administrative notifications and information submitted under this Chapter, as set forth under Article 6.10. On the request of the other Party, the contact point shall identify the office or the official responsible for the matter and assist, as necessary, in facilitating communications with the requesting Party.

3. The TBT enquiry point of each party shall be responsible to:
 - (a) provide information regarding technical regulations or conformity assessment procedures;
 - (b) transmitt the comments related to technical regulations or conformity assessment procedures that a Party has adopted or intends to adopt; and
 - (c) respond to any other information demanded pursuant to Article 6.10

ARTICLE 6.12: BORDER CONTROL AND MARKET SURVEILLANCE

The Parties shall exchange information and experiences on their border control and market surveillance policies, except in those cases in which the information is confidential.

ARTICLE 6.13: CONTACT POINTS

1. For the purposes of this Chapter the contact points are:
 - (a) in the case of the State of Israel, *Foreign Trade Administration, Ministry of Economy and Industry*; and
 - (b) in the case of Panama, *National Directorate for International Trade Agreement and Commercial Defense of the Ministry of Commerce and Industries (Dirección Nacional de Administración de Tratados y Defensa Comercial del Ministerio de Comercio e Industrias)*.

CHAPTER 7
TRADE REMEDIES

SECTION A: BILATERAL SAFEGUARD MEASURES

ARTICLE 7.1: DEFINITIONS

For the purposes of this Chapter:

competent investigating authority means:

- (a) for the State of Israel, the *Commissioner of Trade Levies*, in the *Ministry of Economy and Industry* or the corresponding unit in the *Ministry of Agriculture and Rural Development*; and
- (b) for Panama, the *General Directorate of Trade Remedies*, of the *Ministry of Commerce and Industries* (*Dirección General de Defensa Comercial del Ministerio de Comercio e Industrias*),

or their successors;

domestic industry means the producers as a whole of the like or directly competitive goods of a Party or whose collective output of the like or directly competitive goods constitutes a major proportion of the total production of such goods;

originating goods means as referred in Chapter 3 (Rules of Origin);

serious injury means the significant overall impairment in the position of a domestic industry;

threat of serious injury means **serious injury** that is clearly imminent, based on facts and not merely on allegation, conjecture or remote possibility;

transition period for each good means the period of tariff elimination for that good, with the addition of three (3) years.

ARTICLE 7.2: APPLICATION OF A SAFEGUARD

1. Subject to Article 7.7.2 during the transition period, if goods originating in one Party, as a result of the reduction or elimination of a customs duty provided for in this Agreement, is being imported into the other Party in such increased quantities, in absolute or relative terms, and under such conditions that the imports of the originating goods from that Party alone constitute a substantial cause of serious injury or threat of serious injury to a domestic industry, the importing Party may to the minimum level necessary to remedy the injury:

- (a) suspend the further reduction of any rate of a customs duty provided for under this Agreement on the goods; or

- (b) increase the rate of duty on the good to a level not to exceed the lesser of:
 - (i) the MFN applied rate of duty in effect at the time the measure is applied, or
 - (ii) the base rate as specified in the schedule to Annexes 2-B (Tariff Elimination for Industrial Goods), 2-C (Preferential Treatment for Fishery Goods), 2-D (Preferential Treatment for Agricultural Goods) or
- (c) establish an import quota for the goods concerned under the agreed concessions established in this Agreement. The import quota shall not reduce the quantity of imports to a level below the average of imports before the existence of serious injury.

ARTICLE 7.3: LIMITATIONS FOR APPLYING A BILATERAL SAFEGUARD MEASURE

1. Bilateral safeguard measures may not be applied in the first (1st) year of the transition period.

2. A bilateral safeguard measure shall not be applied except to the extent and for such time as may be necessary to prevent or remedy serious injury and to facilitate adjustment and, it shall not be applied for a period exceeding two (2) years.

However, this period may be extended to up to two (2) additional years if the competent authorities of the importing Party determine, in conformity with the procedures specified in Article 7.4, that the measure continues to be necessary to prevent or remedy serious injury and to facilitate adjustment and that there is evidence that the industry is adjusting, provided that the total period of application of a safeguard measure, including the period of initial application, and any extension thereof, shall not exceed four (4) years.

3. Neither Party shall apply a bilateral safeguard measure more than once against the same goods.

4. For perishable or seasonal goods no measure may be taken more than four (4) times within the initial two (2) years or for a cumulative period exceeding four (4) years provided in paragraph 2.

5. Upon termination of the bilateral safeguard measure, the rate of duty or quota shall be the level which would have been in effect had the measure not been imposed.

6. Bilateral safeguard measures may not be applied or maintained after the conclusion of the transition period. After this period, upon request by one of the Parties the Joint Committee shall evaluate whether to continue the bilateral safeguard measures mechanism included in this Chapter.

ARTICLE 7.4: INVESTIGATION PROCEDURES

1. A Party shall apply a safeguard measure only following an investigation by the Party's competent authority in accordance with its domestic legislation and Articles 3 and 4.2(c) of the Safeguards Agreement; and to this end, Articles 3 and 4.2(c) of the Safeguards Agreement are incorporated into and made part of this Agreement, *mutatis mutandis*.
2. In the investigation described in paragraph 1, a Party shall comply with the requirements of Article 4.2(a) of the Safeguards Agreement; and to this end, Article 4.2(a) of the Safeguards Agreement is incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 7.5: PROVISIONAL BILATERAL SAFEGUARD MEASURES

1. In critical circumstances where delay would cause damage that would be difficult to repair, a Party may apply a safeguard measure on a provisional basis pursuant to a preliminary determination by its competent authorities that there is clear evidence that imports of originating goods from the other Party have increased as the result of the reduction or elimination of a customs duty under this Agreement, and such imports constitute a substantial cause of serious injury, or threat thereof, to the domestic industry.
2. Before a Party's competent authorities may make a preliminary determination, the Party shall publish a public notice in its official journal setting forth how interested parties, including importers and exporters, may obtain a non-confidential copy of the application requesting a provisional safeguard measure, and shall provide interested parties at least twenty (20) days after the date it publishes the notice to submit evidence and views regarding the application of a provisional measure. A Party shall not apply a provisional measure until at least forty five (45) days after the date its competent authorities initiate an investigation.
3. The duration of any provisional measure shall not exceed two hundred (200) days, during which time the Party shall comply with the requirements of Article 7.4.

ARTICLE 7.6: NOTIFICATIONS AND CONSULTATIONS

1. A Party shall promptly notify the other Party, in writing upon:
 - (a) initiating a safeguard proceeding under this Chapter;
 - (b) making a finding of serious injury, or threat thereof, caused by increased imports under Article 7.2; and
 - (c) taking a preliminary or final decision to apply or extend a safeguard measure.
2. A Party shall provide to the other Party a copy of the public version of the report

of its competent investigating authority under Article 7.4.1.

3. If a Party whose goods is subject to a safeguard proceeding under this Chapter, request within ten (10) days from receipt of a notification as specified in paragraph 1(c) to hold consultations, the Party conducting that proceeding shall enter into consultations with the requesting Party with a view to finding an appropriate and mutually acceptable solution.

These consultations shall take place in the Joint Committee. In case of the absence of a decision or if no satisfactory solution is reached within twenty (20) days of the notification being made, the Party may apply the measures.

SECTION B: GLOBAL SAFEGUARD MEASURES

ARTICLE 7.7: IMPOSITION OF GLOBAL SAFEGUARD MEASURES

1. Each Party retains its rights and obligations in accordance with Article XIX of the GATT 1994 and the Safeguards Agreement.

2. No Party may apply, with respect to the same goods, at the same time:

- (a) a bilateral safeguard measure; and
- (b) a measure under Article XIX of the GATT 1994 and the Safeguards Agreement.

3. In taking measures according to paragraph 1, a Party shall exclude imports of an originating product from the other Party if such imports do not in and of themselves cause or threaten to cause serious injury. The Party taking the measure shall demonstrate that such exclusion is in accordance with the jurisprudence of the WTO.

4. The following conditions and limitations shall apply to a proceeding that may result in global safeguard measures as referred to in paragraph 1:

- (a) the Party initiating such a proceeding shall, without delay, deliver to the other Party written notice thereof;
- (b) where, as a result of a measure, the rate of a customs duty is increased, the margin of preference under this Agreement shall be maintained;
- (c) upon the termination of the measure, the rate of a customs duty or quota shall be the rate which would have been in effect but for the measure;

SECTION C: ANTIDUMPING AND COUNTERVAILING MEASURES

Article 7.8: ANTIDUMPING AND COUNTERVAILING MEASURES

Each Party retains its rights and obligations under the Article VI of the GATT 1994, the Antidumping Agreement and the Subsidies Agreement with regard to the application of antidumping duties and countervailing measures.

SECTION D: GENERAL PROVISION

Article 7.9: SELECTION OF MEASURE

The Parties, in selecting measures relating to this Chapter, should give priority to those measures which cause minimal economic injury and do not create serious obstacles to the implementation of this Agreement.

CHAPTER 8 INVESTMENTS

ARTICLE 8.1: DEFINITIONS

For the purposes of this Chapter:

covered investment means, with respect to a party, an investment in its territory of an investor of the other Party, in accordance with the provisions of this chapter. That exists at the date of entry into force of this agreement, as well as investments made or acquired later;

freely usable currency means any currency that the IMF determines, from time to time, as a freely usable currency in accordance with the IMF Agreement and amendments thereto;

Host Party means the Party in whose territory the investment is made, and **Home Party** means in relation to that investment, the other Party;

ICSID means the *International Centre for Settlement of Investment Disputes* established by the *ICSID Convention*;

ICSID Additional Facility Rules means the *Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes*;

ICSID Convention means the *Convention on the Settlement of Investment Disputes between States and Nationals of Other States*, done at Washington on 18 March 1965;

investments means any kind of assets, implemented in accordance with the legislation of the Host Party in whose territory the investment is made including, but not limited to:

- (a) movable and immovable property, as well as any other rights *in rem*, in respect of every kind of asset;
- (b) rights derived from stocks, shares, bonds, debentures and from other forms of interest in legal entities;
- (c) claims to money, goodwill and other assets and any claim having an economic value;
- (d) intellectual property rights, including, *inter alia*, patents, trademarks, geographical indications, appellations of origin, industrial designs, copyrights and related rights, undisclosed business information, trade secrets, topographies of integrated circuits and plant-breeders rights, and know-how;
- (e) business concessions conferred by legislation or under contract, including concessions to search for, cultivate, extract or exploit natural resources.

For the avoidance of doubt investment does not include:

- (a) public debt operations;
- (b) claims to money arising solely from:
 - (i) commercial contracts for the sale of goods and services by a national or legal entity in the territory of a Home Party to a national or a legal entity in the territory of the Host Party; or
 - (ii) credits granted in relation with a commercial transaction.

The provisions of this Chapter relating to investments shall apply to the reinvestment of the returns of an investment, which shall be granted the same treatment granted to the original investment, if the reinvestment is effected in accordance with the legislation of the Host Party. A change in the form of the investment or a change in the form of the reinvestment shall not affect their character as investments within the meaning of this Chapter if the change is effected in accordance with the legislation of the Host Party in whose territory the investment is made.

For greater certainty, the minimum characteristics of an investment shall be the:

- (a) commitment of capital or other resources; and
- (b) assumption of risk for the investor;

investor of a Party means,

1. With respect to:
 - (a) the State of Israel, a natural person who is a national or permanent resident of the State of Israel who is not also a national of the Republic of Panama;
 - (b) the Republic of Panama, a natural person who is a national of Panama who is not also a national or permanent resident of the State of Israel; or
2. A legal entity, including a corporation, a firm, an association or a partnership, which is either:
 - (a) constituted or otherwise organized under the legislation of the Home Party, and is engaged in substantive business operations in the territory of:
 - (i) either Party; or
 - (ii) any other Member of the *WTO* and is owned or controlled by natural persons of that Home Party or by a legal entity that meets the conditions of subparagraph (a)(i),

legislation means the laws and regulations of a Party and the right to exercise the administrative powers conferred by those laws and regulations;

New York Convention means the *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, done at New York on 10 June 1958;

returns means the amount yielded by an investment including, but not limited to: dividends, profits, sums received from the total or partial liquidation of an investment, interest, capital gains, royalties or fees;

Secretary General means the Secretary-General of ICSID; and

territory means, with respect to:

- (a) the State of Israel, the territory of the State of Israel, including the territorial sea, as well as the continental shelf and the exclusive economic zone, over which the State of Israel exercises sovereignty, sovereign rights or jurisdiction in conformity with international law and in accordance with the laws of the State of Israel;
- (b) the Republic of Panama, the land, maritime, and air space under its sovereignty and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and in accordance with the laws of the Republic of Panama;

UNCITRAL Arbitration Rules means the arbitration rules of the *United Nations Commission on International Trade Law*, as revised in 2010.

ARTICLE 8.2: SCOPE OF APPLICATION

1. This Chapter shall apply to investments of investors of the Home Party in the territory of the Host Party existing at the time of the entry into force of this Agreement, as well as to investments made thereafter, in accordance with the legislation of the Host Party.
2. This Chapter shall not apply to claims arising out of events which occurred prior to its entry into force.

ARTICLE 8.3: PROMOTION AND PROTECTION OF INVESTMENTS

1. Each Party shall, in its territory, encourage and create favorable conditions for investments by investors of the other Party and, subject to its legislation, shall admit such investments.

2. Investments made by investors of each Party shall be accorded fair and equitable treatment in accordance with the provisions of this Chapter shall enjoy full protection and security in the territory of the other Party. Neither Party shall in any way impair or deny, by unreasonable measures, the management, maintenance, use, enjoyment or disposal of investments in its territory of investors of the other Party.

For greater certainty and without prejudice:

- (a) **fair and equitable treatment** shall not be construed as to prevent a Party from exercising its regulatory powers in a transparent and non-discriminatory manner.
- (b) **full protection and security** standard does not imply, in any case, a better policy protection than that accorded to nationals of the Party where the investment has been made.
- (c) a determination that there has been a breach of another provision of this Agreement or another international agreement does not imply that the fair and equitable treatment has been breached.

ARTICLE 8.4: NATIONAL TREATMENT

1. Each Party, subject to its legislation at the time of entry into force of this Agreement, shall accord to investors and covered investments of the other Party treatment no less favorable than that it accords, in like circumstances, to its own investors and to investments of its own investors with respect to the expansion management, maintenance, use, enjoyment, conduct, or disposal of their investment, operation and sale or other disposition of investments in its territory.

2. The Parties shall review and update on a regular basis any exceptions under the principle of National Treatment set forth in this Article through a review mechanism established by the Parties. A Party may present reservations to such an update only provided that its reservation is based on a material and substantial reason which directly relates to the application of the specific proposed update with regard to investments made prior to that update. In such cases, upon the request of either Party, the Parties shall initiate a discussion with a view to agree on possible adjustments to be applied as agreed between the Parties with regard to such investments.

3. An investor shall have no claim against a Host Party concerning exceptions to National Treatment set forth in this Article, which were in place at the time his investment was made or which were updated in accordance with the conditions and mechanism set forth in paragraph 2.

ARTICLE 8.5: MOST-FAVORED-NATION

1. Each Party shall accord to investors and to covered investments of the other Party treatment no less favorable than that it accords, in like circumstances, to investors and investments of investors of a non-Party with respect to the expansion management, maintenance, use, enjoyment, conduct or disposal of their investment, operation and sale or other disposition of investments in its territory.

2. In order to avoid any misunderstanding, it is further clarified that the treatment referred to in paragraph 1 shall not apply to definitions, nor to mechanisms for dispute settlement between one Party and an investor of the other Party, or to any other matter not specifically mentioned in paragraph 1.

ARTICLE 8.6: TRANSFERS

1. Each Party shall, in respect of investments, guarantee to investors of the other Party the rights of unrestricted transfer of their:

- (a) capital;
- (b) returns;
- (c) payments pursuant to foreign loans;
- (d) payments arising out of the settlement of a dispute under Article 8.12;
- (e) proceeds from the sale of all or any part of the investment, or from the partial or complete liquidation of the investment; and
- (f) salaries and remunerations received by the employees hired overseas in connection with an investment.

2. Paragraph 1 shall be applied, in accordance with the following terms:

- (a) transfers shall be effected without delay in the freely usable currency in which the capital was originally invested or in any other freely usable currency agreed by the investor and the Host Party; provided that the investor has complied with all his fiscal and other financial obligations to government or local authorities of the Host Party.
- (b) transfers shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force in the Host Party, unless otherwise agreed by the investor.
- (c) transfers shall be in terms no less favorable than those accorded by the Host Party to its own investors in like circumstances.

3. Notwithstanding paragraphs 1 and 2:

- (a) when a Party is in or under threat of:
 - (i) serious balance of payments difficulties; or
 - (ii) serious difficulties in macroeconomic management relating to the exchange rate policy or monetary policy,that Party may, in conformity with the principles laid down within Article VIII of the *IMF Agreement*, adopt restrictive measures which may not go beyond what is necessary to remedy the situation, shall be temporary and shall be eliminated as soon as conditions permit.
- (b) such measures shall be equitable, non-discriminatory, and in good faith.
- (c) the Host Party shall notify the Home Party, as soon as possible, as to the measures taken and the expected timetable for their removal.

ARTICLE 8.7: EXPROPRIATION

1. Investments of investors of the Home Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter: "expropriation") in the territory of the Host Party, except for a public purpose¹ related to the internal needs of the Host Party, and in accordance with the following terms:

- (a) the expropriation shall be made in accordance with the legislation of the Host Party, on a non-discriminatory basis and against prompt, adequate and effective compensation no less favorable than that accorded to the investors of the Host Party. Resulting payments shall be freely transferable;
- (b) such compensation shall amount to the market value of the investment expropriated, immediately before the expropriation or before the imminent expropriation became public knowledge, whichever is the earlier, shall include interest at the applicable rate provided by law of the Host Party until the date of payment, shall be made without delay, be effectively realizable and be freely transferable; and
- (c) without prejudice to Article 8.12.8, the investors affected shall have a right, under the law of the Host Party making the expropriation, to prompt review, by a judicial or other independent authority of the Host Party, of the legality of the expropriation and of the valuation of their investment, in accordance with the principles set out in this Article.

¹ With respect to the Republic of Panama, it is understood that the term "public utility social interest" (utilidad pública o interés social) contained in Articles 50 and 51 of the *Political Constitution of the Republic of Panama* is compatible with the term "public purpose" used in this Article.

2. Notwithstanding the foregoing, with respect to intellectual property rights, a Host Party may permit the use of an intellectual property right, provided such permission is made in conformity with the principles set forth in the *TRIPS Agreement*.

3. For greater certainty, nothing in this Article shall be construed to prevent a Party from maintaining or establishing monopolies provided that it is for a public purpose or social interest and in accordance with the same conditions mentioned in this Article.

ARTICLE 8.8: COMPENSATION FOR LOSSES

1. Investors of the Home Party whose investments in the territory of the Host Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection, civil disturbances, riot or other such similar activity in the territory of the Host Party, shall be accorded treatment by the Host Party, as regards to restitution, indemnification, compensation or other settlement, no less favorable than that which the Host Party accords to its own investors or to investors of any non-Party. Resulting payments shall be freely transferable.

2. Without prejudice to paragraph 1, investors of the Home Party who suffer losses in the territory of the Host Party, resulting from:

- (a) requisitioning of their property by its forces or authorities; or
- (b) destruction of their property by its forces or authorities, which was not caused in combat action or was not required by the necessity of the situation;

shall be accorded restitution or adequate compensation. Resulting payments shall be freely transferable.

ARTICLE 8.9: SUBROGATION

1. If a Home Party or its designated agency makes a payment under an indemnity or under a guarantee or a contract of insurance against non-commercial risk given in respect of an investment in the territory of the Host Party, the Host Party shall recognize:

- (a) the assignment to the Home Party by legislation or by legal transaction of all the rights and claims of the investor indemnified; and
- (b) that the Home Party is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the investor indemnified, and shall assume the obligations related to the investment.

2. The Home Party shall be entitled in all circumstances to:

- (a) the same treatment in respect of rights, claims and obligations acquired by it, by virtue of the assignment; and
- (b) any payments received pursuant to those rights and claims, as the investor indemnified was entitled to receive by virtue of this Chapter, in respect of the investment concerned and its related returns.

ARTICLE 8.10: NON DEROGATION

This Chapter shall not derogate from a treatment more favorable than is provided to investors or investments of investors in accordance with this Chapter, under the legislation of the Host Party or obligations of the Host Party under international law.

ARTICLE 8.11: EXCEPTIONS

1. Either Party may take measures necessary for the maintenance or protection of its essential security interests. Such measures shall be taken and implemented in good faith, in a non-discriminatory fashion and so as to minimize the deviation from the provisions of this Chapter.

2. Nothing contained in this Chapter shall be construed to prevent a Party from adopting, maintaining or enforcing, in accordance with its legislation, reasonable measures with respect to the financial sector for prudential reasons, including those measures aimed at protecting investors, depositors, insurance takers, trustees, or in general financial consumers, or to safeguard the integrity and stability of the financial system. Such measures shall be in good faith and shall not be used as means of avoiding a Party's commitments or obligations under this Chapter.

3. The provisions of this Chapter, relating to the granting of treatment no less favorable than that accorded to the investors and investments of investors of either Party or of any non-Party, shall not be construed so as to oblige one Party to extend to the investors of the other Party the benefit of any treatment, preference or privilege resulting from:

- (a) any international agreement or arrangement relating wholly or mainly to taxation or any legislation relating wholly or mainly to taxation;
- (b) any existing or future customs union, free trade area agreement, common market, economic union or similar international agreement, to which either Party is or will be party, within the meaning of "customs union" or "free trade area" in accordance with Article XXIV of the *GATT 1994* and Article V of the *GATS*;
- (c) any existing or future bilateral or multilateral agreement concerning intellectual property;

- (d) any agreement for the reciprocal promotion and protection of investments concluded between either Party and a third state, that was signed before the entry into force of this Agreement.

ARTICLE 8.12: SETTLEMENT OF DISPUTES BETWEEN A PARTY AND AN INVESTOR OF THE OTHER PARTY

1. Without prejudice to the rights and obligations of the Parties under Chapter 14 (Dispute Settlement), this Section establishes a mechanism for the settlement of investment disputes between an investor of a Party and the other Party.

2. In order to submit a claim to arbitration under this Article, non-judicial local administrative remedies² shall be exhausted only if required by the legislation of the Party concerned. If the procedures for the exhaustion of such remedies are not completed within six (6) months from the date of their initiation by the investor, the investor shall not be prevented from submitting a claim to arbitration under this Article. Such procedure shall not prevent the investor from requesting consultations as referred to in paragraph 4. This paragraph does not prevent the investor from voluntarily seeking or pursuing non-judicial local administrative remedies.

3. Any investment dispute between a Party and an investor of the other Party in connection with a claim of a breach of the provisions of this Chapter other than Articles 8.3.1, 8.14, 8.15, 8.16, 8.17 and 8.18, shall be settled by consultations and negotiations, referred to in paragraph 4.

4. Consultations and negotiations shall begin with the submission of a written Notice (hereinafter referred to as Notice of Dispute) by the investor. This notice shall be accompanied by a brief summary of the factual and legal basis of the investment dispute.

5. If a dispute under paragraph 3 cannot be settled within six (6) months of a written Notice of Dispute in accordance with paragraph 4, it shall be settled as follows, upon the request of the investor by:

- (a) a competent court of the Host Party; or
- (b) conciliation; or
- (c) arbitration by *ICSID*, established by the *ICSID Convention*, provided that both Parties are contracting parties to the Convention; or
- (d) arbitration under the *ICSID Additional Facility Rules*, provided that only one of the Parties is a contracting party to the *ICSID Convention*; or

² In the case of Panama the non-judicial local administrative remedies are called “vía gubernativa”.

- (e) an *ad hoc* arbitration tribunal, which unless otherwise agreed, is to be established under *UNCITRAL Arbitration Rules*. Unless otherwise agreed, all submissions shall be made and all hearings shall be completed within six (6) months of the date of selection of the Chairman, and the arbitral panel shall render its written and reasoned decisions within two (2) months of the date of the final submissions or the date of the closing of the hearings, whichever is later;
6. Subparagraphs 5(c), 5(d) and 5(e) shall not apply to disputes between a Host Party and any legal entity qualifying as an investor of a Home Party, that is owned or controlled by a natural person or legal entity of the Host Party.
7. An investor shall only submit a dispute to arbitration in accordance with subparagraphs 5(c), 5(d) and 5(e), once ninety (90) days have elapsed from the submission of a written notice (hereinafter referred to as Notice of Intent). The Notice of Intent shall only be submitted if the dispute was not settled within six (6) months from the Notice of Dispute and shall indicate the name and address of the disputing investor, the provisions of this Chapter which he deems to be breached, the facts which the dispute is based on, and the approximate amount of damages.
8. Each Party hereby gives its unconditional consent to the submission of a dispute to international arbitration in accordance with paragraphs 5(c), 5(d) and 5(e). This consent and the submission by a disputing investor of a claim to arbitration shall satisfy the requirements of:
- (a) Chapter II of the *ICSID Convention* or the *ICSID Additional Facility Rules* for written consent of the parties;
 - (b) Article II of the *New York Convention*, for an agreement in writing.
9. An investor shall not submit a Notice of Dispute if more than three (3) years have elapsed since the date the investor had knowledge or should have had knowledge of the alleged violation of the provisions of this Chapter, as well as of the alleged losses and damages.
10. (a) Once the investor has submitted the dispute to either a competent court of the Host Party or to any of the arbitration mechanisms stated in paragraph 5, the choice of the procedure shall be final;
- (b) Notwithstanding subparagraph (a), an investor shall not be prevented from initiating actions, or interim measures not involving the payment of monetary damages before a competent court of the Host Party, provided that the action is initiated for the purpose of preserving the investor's rights and interests during the pendency of the arbitration.
11. The award shall be final and binding. Each Party shall carry out without undue delay the provisions of any such award and provide in its territory for the enforcement of such award.

12. A tribunal shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law. A tribunal does not have jurisdiction to determine the legality of a measure, alleged to constitute a breach of this Chapter, under the legislation of the disputing Party.

13. The tribunal shall consider whether either the claim of the claimant or the objection of the respondent is manifestly without legal merit, and shall provide the disputing parties a reasonable opportunity for comments. In the event of a claim found to be manifestly without legal merit, the tribunal shall, if warranted, award costs against the claimant.

14. The Notice of Dispute, the Notice of Intent, and other documents related to the dispute, shall be presented to the authority/agency of the Host Party, designated in Annex 8-A.

15. The arbitrators shall:

- (a) have experience or expertise in international public law, international investment rules, or in dispute settlement derived from international investment agreements;
- (b) be independent and not affiliated with or take instructions from the investor, or either Party; and
- (c) be a national of a country with which both Parties maintain diplomatic relations.

16. The disputing parties may agree on the fees to be paid to the arbitrators. If the disputing parties do not reach an agreement on the fees to be paid to the arbitrators before the constitution of the tribunal, the fees established for arbitrators by *ICSID* shall apply.

ARTICLE 8.13: INSURANCE AND GUARANTEE

In any proceeding involving an investment dispute, a Party shall not assert, as a defense, counterclaim, right of set-off or for any other reason, that indemnification or other compensation for all or part of the alleged damages has been received or will be received pursuant to an insurance or guarantee contract.

ARTICLE 8.14: DENIAL OF BENEFITS

A Party may deny the benefits of this Chapter to an investor of the other Party that is an enterprise of such other Party and to investments of that investor if persons of a non-Party own or control the enterprise and the denying Party:

- (a) does not maintain diplomatic relations with the non-Party; or

- (b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise or to its investments.

ARTICLE 8.15: EXECUTIVES AND BOARDS OF DIRECTORS

1. A Host Party may not require that a legal entity that is a covered investment appoint to executive positions individuals of any particular nationality.
2. Without prejudice to paragraph 1, a Host Party may require that a majority or less of the board of directors, or any committee thereof, of a legal entity that is a covered investment be a national of the Host Party, or a resident in the territory of the Host Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.
3. For greater certainty, executive positions are positions of persons in senior management who primarily direct the management of the organization, establish its goals and generally have a wide decision making authority.

ARTICLE 8.16: INVESTMENT AND ENVIRONMENT

Each Party recognizes that it is inappropriate to encourage investments activities, of investors of the other Party and of a non-Party, by relaxing its domestic environmental legislation.

ARTICLE 8.17: RELATION TO OTHER CHAPTERS

1. In the event of any inconsistency between this Chapter and another Chapter to this Agreement, the other Chapter shall prevail to the extent of the inconsistency.
2. Notwithstanding paragraph 1, it is understood that Article 8.12 will apply solely to disputes in connection with a breach of the provisions of this Chapter as set forth in that Article.

ARTICLE 8.18: REVIEW COMMITTEE ON INVESTMENTS

1. The Parties hereby establish a review Committee on Investments (hereinafter “the Committee”), comprising representatives of each Party and headed by senior officials of each Party.

2. The Committee shall meet on the request of either Party or within two (2) years from the date of entry into force of this Agreement. In addition, meetings shall be convened upon a request in writing of either Party.

3. The Committee's functions shall include:

- (a) a general review of this Chapter with a view to furthering its objectives;
- (b) review the possibility of further facilitation of investments between the Parties;
- (c) evaluation of the results obtained from the application of this chapter; and
- (d) consideration of any other matters of interest relating to this chapter.

4. The Committee may, as necessary, make appropriate recommendations, by mutual consent, to the Parties for the more effective functioning, or the attainment of the objectives, of this Chapter.

5. Copies of such recommendations, reviews, agreed minutes, or any other documents produced by the Committee will be forwarded to the Joint Committee established under this Agreement.

ARTICLE 8.19: DURATION AND TERMINATION

In respect of investments made while this Agreement is in force, the provisions of this Chapter shall continue in effect with respect to such investments for a period of ten (10) years after the date of termination of this Agreement and without prejudice to the application thereafter of the rules of general international law.

ANNEX 8-A

PRESENTATION OF DOCUMENTS TO A PARTY REGARDING ARTICLE 8.12

The place of presentation of the Notice of Dispute, the Notice of Intent and other documents concerning settlement of disputes pursuant to Article 8.12, in the case of:

(a) **the State of Israel:**

Ministry of Finance
Chief Economist Department
1 Kaplan St. P.O. Box, 3100
Jerusalem, Israel

(b) **the Republic of Panama:**

Ministry of Commerce and Industries (*Ministerio de Comercio e Industrias*)
National Direction of Administration of International Commercial Treaties and
of Commercial Defense (*Dirección Nacional de Administración de Tratados
Comerciales Internacionales y de Defensa Comercial*)
Plaza Edison Building, Second Floor, El Paical Avenue (Edificio Plaza Edison,
Segundo Piso, Avenida El Paical)
Panama, Republic of Panama

or its successors.

CHAPTER 9 TRADE IN SERVICES

ARTICLE 9.1: SCOPE

1. This Chapter shall apply to measures adopted or maintained by Parties affecting trade in services.
2. For the purpose of this Chapter, “measures by Parties” means measures adopted or maintained by:
 - (a) central, regional, or local governments and authorities; and
 - (b) non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities.

In fulfilling its obligations and commitments under this Agreement, each Party shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory.

3. With respect to the commitments of the Parties concerning air transport services, paragraphs 2, 3 and 6 of the *Annex on Air Transport Services of the GATS* shall apply and are hereby incorporated into and made part of this Chapter.
4. Nothing in this Chapter shall be construed to impose any obligation with respect to government procurement.

ARTICLE 9.2: DEFINITIONS

For the purpose of this Chapter:

commercial presence means any type of business or professional establishment, including through:

- (a) the constitution, acquisition or maintenance of a juridical person; or
- (b) the creation or maintenance of a branch or a representative office, within the territory of a Party for the purpose of supplying a service;

direct taxes includes all taxes on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of property, taxes on estates, inheritances and gifts, and taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation;

juridical person of the other Party means a juridical person which is either:

1. constituted or otherwise organized under the law of that other Party, and is engaged in substantive business operations in the territory of:

- (a) either Party; or
- (b) any Member of the WTO and is owned or controlled by natural persons of that other Party or by juridical persons that meet all the conditions of subparagraph 1(a).

2. in the case of the supply of a service through commercial presence, owned or controlled by:

- (a) natural persons of that other Party; or
- (b) juridical persons of that other Party identified under subparagraph (1);

juridical person is:

- 1. “owned” by persons of a Party if more than fifty (50) per cent of the equity interest in it is beneficially owned by persons of that Party;
- 2. “controlled” by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;
- 3. “affiliated” with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person;

measures by a Party affecting trade in services includes measures in respect of the:

- 1. purchase, payment or use of a service;
- 2. access to and the use of services, in connection with the supply of a service, which are required by that Party to be offered to the public generally;
- 3. presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party;

monopoly supplier of a service means any person, public or private, which in the relevant market of the territory of a Party is authorized or established formally or in effect by that Party as the sole supplier of that service;

natural person of the other Party means a natural person who, under the legislation of that other Party, is a:

- 1. national of that other Party who resides in the territory of any WTO Member; or
- 2. permanent resident of that other Party who resides in the territory of that other Party, if that other Party accords substantially the same treatment to its permanent residents as to its nationals in respect of measures affecting trade in services. For the purpose of the supply of a service through presence of natural persons (Mode 4), this definition covers a permanent resident of that other Party who resides in the territory of the first Party or in the territory of any WTO Member;

sector of a service means:

1. with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party's schedule;
2. otherwise, the whole of that service sector, including all of its subsectors;

services includes any service in any sector except services supplied in the exercise of governmental authority;

service consumer means any person that receives or uses a service;

service of a Party means a service which is supplied:

1. from or in the territory of a Party, or in the case of maritime transport, by a vessel registered under the laws of a Party, or by a person of that Party which supplies the service through the operation of a vessel and/or its use in whole or in part; or
2. in the case of the supply of a service through commercial presence or through the presence of natural persons, by a service supplier of a Party;

service supplier means any person that supplies, or seeks to supply, a service¹;

service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers;

supply of a service includes the production, distribution, marketing, sale and delivery of a service;

trade in services means the supply of a service:

1. from the territory of one Party into the territory of the other Party;
2. in the territory of one Party to the service consumer of the other Party;
3. by a service supplier of one Party, through commercial presence in the territory of the other Party;
4. by a service supplier of one Party, through presence of natural persons of that Party in the territory of the other Party;

ARTICLE 9.3: MOST FAVORED NATION TREATMENT

¹ Where the service is not supplied or sought to be supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (i.e. the juridical person) shall, nonetheless, through such commercial presence be accorded the treatment provided for service suppliers under this Chapter. Such treatment shall be extended to the commercial presence through which the service is supplied or sought to be supplied and need not be extended to any other parts of the service supplier located outside the territory where the service is supplied or sought to be supplied.

1. Except as provided for in its List of MFN Exemptions contained in Annex 9-A a Party shall accord immediately and unconditionally, in respect of all measures affecting the supply of services, to services and service suppliers of the other Party treatment no less favourable than the treatment it accords to like services and service suppliers of any non-Party.
2. Treatment granted under other agreements concluded by one of the Parties and notified under Article V or Article V *bis* of the GATS, as well as treatment granted in accordance with Article VII of the GATS, shall not be subject to paragraph 1.
3. If a Party enters into an agreement notified under Article V or Article V *bis* of the GATS, it shall upon request from the other Party afford adequate opportunity to that Party to negotiate the benefits granted therein.
4. The provisions of this Chapter shall not be so construed as to prevent any Party from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced and consumed.

ARTICLE 9.4: MARKET ACCESS

1. With respect to market access through the modes of supply identified in the definition of "trade in services" contained in Article 9.2 each Party shall accord services and service suppliers of the other Party treatment no less favorable than that provided for under the terms, limitations and conditions agreed and specified in its schedule.²
2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its schedule, are defined as:
 - (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
 - (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

² To the extent that a market-access commitment is undertaken by a Party in its Schedule of Commitments, and where the cross-border movement of capital is an essential part of a service supplied through the mode of supply referred to in the definition of "trade in services" paragraph 1 contained in Article 9.2 that Party is hereby committed to allow such movement of capital. To the extent that a market-access commitment is undertaken by a Party in its Schedule of Commitments, and where a service is supplied through the mode of supply referred to in the definition of "trade in services" paragraph 3 contained in Article 9.2 that Party is hereby committed to allow related transfers of capital into its territory.

- (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test ³;
- (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
- (e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
- (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

ARTICLE 9.5: NATIONAL TREATMENT

1. In the sectors inscribed in its schedule, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favorable than that it accords to its own like services and service suppliers.⁴

2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favorable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

ARTICLE 9.6: ADDITIONAL COMMITMENTS

Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 9.4 or 9.5, including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's schedule.

ARTICLE 9.7: DOMESTIC REGULATION

³ This subparagraph does not cover measures of a Party which limit inputs for the supply of services.

⁴ Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

1. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.

2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

3. Where authorization is required by a Party for the supply of a service, in sectors where specific commitments are undertaken, the competent authorities of that Party shall, within a reasonable period of time after the submission of an application is considered complete under that Party's domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of that Party shall provide, without undue delay, information concerning the status of the application.

4. In sectors where specific commitments are undertaken, each Party shall aim to ensure that measures relating to qualification requirements and procedures, technical standards, and licensing requirements:

- (a) are based on objective and transparent criteria, such as competence and the ability to supply the service;
- (b) are not more burdensome than necessary to ensure the quality of the service; and
- (c) in the case of licensing procedures, are not in themselves a restriction on the supply of the service.

5. In determining whether a Party is in conformity with the obligation under paragraph 4, account shall be taken of international standards of relevant international organizations⁵ applied by that Party.

6. In sectors where specific commitments are undertaken, each Party shall provide for adequate procedures to verify the competence of professionals of the other Party.

7. The Parties shall jointly review the results of the negotiations on disciplines on domestic regulation, pursuant to Article VI.4 of the GATS, with a view of incorporating them into this Chapter.

ARTICLE 9.8: RECOGNITION

⁵ For greater certainty, the term "relevant international organizations" refers to international bodies whose membership is open to the relevant bodies of both Parties, and which have the characteristics of transparency in their behavior, impartiality and consensus in adopting regulations.

1. For the purpose of the fulfilment of its relevant standards or criteria for the authorization, licensing or certification of service suppliers, and subject to the requirements of paragraph 4, a Party may recognize the education or experience obtained, requirements met, or licences or certifications granted in a particular country. Such recognition, which may be achieved through harmonization or otherwise, may be based upon an agreement or arrangement with the country concerned or may be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licences or certifications granted, in the territory of a non-party, that Party shall afford the other Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education or experience obtained, requirements met, or licences or certifications granted, in the territory of that other Party should also be recognised.

3. Each Party shall give due consideration, as appropriate, to any requests by the other Party to recognize the education or experience obtained, requirements met, or licences or certifications granted in the other Party.

4. The professional bodies from both Parties may negotiate agreements for mutual recognition of education, or experience obtained, requirements met or licences or certifications granted. Upon a request being made in writing by a Party to the other Party, the receiving Party shall transmit the request to its relevant professional body. The Parties shall report periodically to the Joint Committee on progress and on impediments experienced. Any delay or failure by these professional bodies to negotiate or to reach and conclude an agreement on the details of such arrangements shall not be regarded as a breach of a Party's obligations under this paragraph and shall not be subject to Chapter 14 (Dispute Settlement).

5. A Party shall not accord recognition in a manner which would constitute a means of discrimination between countries in the application of its standards or criteria for the authorization, licensing, or certification of service suppliers, or a disguised restriction on trade in services.

ARTICLE 9.9: MONOPOLIES AND EXCLUSIVE SERVICE SUPPLIERS

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Party's obligations under Article 9.3 and specific commitments.

2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

3. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:

- (a) authorizes or establishes a small number of service suppliers; and
- (b) substantially prevents competition among those suppliers in its territory.

ARTICLE 9.10: BUSINESS PRACTICES

1. Parties recognize that certain business practices of service suppliers, other than those falling under Article 9.9, may restrain competition and thereby restrict trade in services.

2. Each Party shall, at the request of any other Party, enter into consultations with a view to eliminating practices referred to in paragraph 1. The Party addressed shall accord full and sympathetic consideration to such a request and shall cooperate through the supply of publicly available non-confidential information of relevance to the matter in question. The Party addressed shall also provide other information available to the requesting Party, subject to its domestic law and to the conclusion of satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party.

ARTICLE 9.11: PAYMENTS AND TRANSFERS

1. Except under the circumstances envisaged in Article 9.12, a Party shall not apply restrictions on international transfers and payments for current transactions with the other Party.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties under the *IMF Agreement*, including the use of exchange actions which are in conformity with that agreement, provided that a Party shall not impose restrictions on capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 9.12 or at the request of the IMF.

ARTICLE 9.12: RESTRICTIONS TO SAFEGUARD THE BALANCE OF PAYMENTS

1. The Parties shall endeavor to avoid the imposition of restrictions to safeguard the balance of payments.

2. The rights and obligations of the Parties in respect of such restrictions shall be governed by paragraphs 1 to 3 of Article XII of the GATS, which are hereby incorporated into and made part of this Chapter.

3. A Party adopting or maintaining such restrictions shall promptly notify the Joint Committee thereof.

ARTICLE 9.13: SCHEDULES OF SPECIFIC COMMITMENTS

1. Each Party shall set out in a schedule the specific commitments it undertakes under Articles 9.4, 9.5, and 9.6. With respect to sectors where such commitments are undertaken, each schedule shall specify:

- (a) terms, limitations and conditions on market access;
- (b) conditions and qualifications on national treatment;
- (c) undertakings relating to additional commitments referred to in Article 9.6; and
- (d) where appropriate, the timeframe for implementation of such commitments and the date of entry into force of such commitments.

2. Measures inconsistent with both Articles 9.4 and 9.5 are inscribed in the column relating to Article 9.4. In this case, the inscription is considered to provide a condition or qualification to Article 9.5 as well.

ARTICLE 9.14: MODIFICATION OF SCHEDULES

The Parties shall, upon written request by a Party, hold consultations to consider any modification or withdrawal of a specific commitment in the requesting Party's Schedule of Specific Commitments. The consultations shall be held within three months after the requesting Party made its request. In the consultations, the Parties shall aim to ensure that a general level of mutually advantageous commitments no less favourable to trade than that provided for in the Schedule of Specific Commitments prior to such consultations is maintained. Modifications of Schedules are subject to the procedures set out in Articles 12.1.3 (Establishment and Functions of the Joint Committee) and 17.2 (Amendments).

ARTICLE 9.15: REVIEW

The Schedules of Specific Commitments and the Lists of MFN Exemptions of the Parties shall be subject to periodic review within the framework of the Joint Committee with a view to achieving a higher level of liberalisation, taking into account in particular any autonomous liberalisation and ongoing work under the auspices of the WTO.

ARTICLE 9.16: SUBSIDIES

1. The Parties shall review the treatment of subsidies in the context of developments in GATS.

2. In the event that either Party considers that its interests have been adversely affected by a subsidy or grant provided by the other Party, upon request to the Joint Committee, the Parties shall hold discussions with a view to resolving the matter.

3. During the consultations referred to in paragraph 2, the subsidizing Party may as it deems fit consider a request of the other Party for information relating to the subsidy.

ARTICLE 9.17: DENIAL OF BENEFITS

A Party may deny the benefits of this Agreement to a service supplier that is a juridical person, if persons of a non-Party own or control that juridical person and the denying Party:

- (a) does not maintain diplomatic relations with the non-Party; or
- (b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Agreement were accorded to the enterprise or to its investments.

ARTICLE 9.18: ANNEXES

The following Annexes are attached to this Chapter:

Annex 9-A (Lists of MFN Exemptions);
Annex 9-B (Movement of Natural Persons Supplying Services);
Annex 9-C (Financial Services);
Annex 9-D (Telecommunications Services); and
Annex 9-E (Schedules of Specific Commitments).

ANNEX 9-A

SECTION A:

ISRAEL - LIST OF MFN-EXEMPTIONS REFERRED TO IN ARTICLE 9.3 (MOST FAVORED NATION TREATMENT)

Sector or Subsector	Description of the measure indicating its inconsistency with Article XX (MFN)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Film, Video and Television Programming Co-production and Distribution	Differential treatment is accorded to works co-produced with persons of countries with which Israel may have co-production arrangements, and to natural persons engaged in such co- productions, as well as to natural and juridical persons engaged in film and video distribution.	countries which have concluded film, videos and television programming coproductions agreements with Israel; other countries concerned	Unlimited	For reasons of cultural policy, including to improve the availability of Israeli audiovisual productions in Israel to promote greater diversity among foreign audiovisual works on the Israeli market, and to promote the international exchange of audiovisual works.

Sector or Subsector	Description of the measure indicating its inconsistency with Article XX (MFN)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Financial Services - Banking	A license may be granted to the establishment of foreign service supplier, to the country of origin of which grants Israeli suppliers access to its market in the form of similar commercial presence.	All countries concerned	Unlimited	To obtain equal market access possibilities for Israeli banks.

ANNEX 9-A -1

SECTION B:

PANAMA - LIST OF MFN EXEMPTIONS REFERRED TO IN ARTICLE 9.3 (MOST FAVORED NATION TREATMENT)

Sector / Subsector	Description of the measure indicating its inconsistency with Article 9.3 (MFN)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All sectors	Legal agreements between countries of the region. Preferential treatment for suppliers of services of different kinds.	Guatemala, Costa Rica, Honduras, El Salvador and Nicaragua.	Indefinite	Arrangements agreed in order to promote trade in various economic areas, including services of different kinds.
Professional services	Authorization to exercise a profession is granted on the basis of reciprocity.	All countries	Indefinite	Lack of reciprocity.
Audiovisual services	(a) Ibero-American Cinematographic Integration Agreement. Free movement of natural persons. The showing of Ibero-American cinematographic works facilitated in the signatory countries (on existing channels or by creating channels). (b) Latin American Cinematographic Agreement. National treatment, suppliers must be nationals or residents, facilities for artistic and technical personnel, facilitation of the import and export of material and equipment whatever system for the use or exchange of audiovisual services may be agreed.	Ecuador, Argentina, Brazil, Colombia, Cuba, Spain, Italy, Mexico, Nicaragua, Peru and the Dominican Republic.	Indefinite	To facilitate the exchange of audiovisual services between signatory countries.

Sector / Subsector	Description of the measure indicating its inconsistency with Article 9.3 (MFN)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Fishing, aviation and maritime	<p>Panama reserves the right to adopt or maintain measures that accord differential treatment to countries under a bilateral or multilateral international agreement in force or signed after the date of entry into force of this Agreement involving:</p> <p>(a) aviation;</p>	All countries	Indefinite	

ANNEX 9-A -2

Sector / Subsector	Description of the measure indicating its inconsistency with Article 9.3 (MFN)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
	<p>(b) fishing; or</p> <p>(c) maritime matters, including salvage.</p>			

ANNEX 9-B
MOVEMENT OF NATURAL PERSONS SUPPLYING SERVICES

ARTICLE 1: SCOPE

1. This Annex shall apply to measures by a Party affecting the movement of natural persons who are service suppliers of the other Party, and natural persons of the other Party who are employed by a service supplier of the other Party, in respect of the supply of a service, as provided for in the Party's schedule of specific commitments.
2. The Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.
3. Natural persons covered by a specific commitment shall be allowed to supply the service in accordance with the terms of that commitment.
4. This Agreement shall not prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment.¹

ARTICLE 2: GENERAL PRINCIPLES

This Annex reflects the preferential trading relationship between the Parties, the common objective to facilitate entry and temporary stay of highly skilled natural persons on a mutually advantageous basis in accordance with the Parties' schedules of specific commitments, and the need of establishing transparent, secure, effective and comprehensive information regarding entry, temporary stay and work.

ARTICLE 3: PROVISION OF INFORMATION

1. Each Party shall make publicly available information necessary for an effective application for the grant of entry, temporary stay and work in its territory of natural persons covered by this Annex. Such information shall be kept updated.
2. No later than twelve (12) months after the date of entry into force of this

¹ The sole fact of requiring a visa for natural persons shall not be regarded as nullifying or impairing benefits under a specific commitment.

Agreement, each Party shall prepare, publish or otherwise make available, explanatory material² in English regarding the requirements for entry and temporary stay of categories of natural persons, as set out in the schedule of specific commitments of each Party, in such a manner as will enable interested persons of the other Party to become acquainted with them.

3. Information referred to in paragraph 1 shall include in particular descriptions of:
 - (a) all categories of visas and work permits relevant to the entry, temporary stay and work of natural persons covered by this Annex;
 - (b) requirements and procedures for application for, and issuance of, firsttime entry, temporary stay and, where applicable, work permits, including information on documentation required, conditions to be met and method of filing; and
 - (c) requirements and procedures for application for, and issuance of, renewed temporary stay and, where applicable, work permits.
4. Each Party shall provide the other Party with details of relevant publications or web-sites where information referred to in paragraph 3 is made available.

ARTICLE 4: CONTACT POINTS

1. Each Party shall establish Contact Points to facilitate the implementation and provide the information relating to this Annex, when reasonably requested by the Contact Point of the other Party.
2. The contact points referred to in paragraph 1 are:
 - (a) For the Republic of Panama:

National Directorate for International Trade Agreement Administration and Commercial Defense of the Ministry of Commerce and Industries (Dirección Nacional de Administración de Tratados y Defensa Comercial del Ministerio de Comercio e Industrias);
 - (b) for the State of Israel:

Ministry of Economy, Foreign Trade Administration

or their respective successors.

² For greater certainty, the material is informational in content and is not intended to replace applicable laws.

ARTICLE 5: PROCESSING OF APPLICATIONS

1. The competent authorities of each Party shall promptly process, taking into account the migration measures, necessary procedures and the relevant circumstances, applications for granting entry and temporary stay submitted by service suppliers of the other Party, in accordance with its schedule of specific commitments, including applications for extension thereof.
2. Where the competent authorities of a Party require additional information from the applicant in order to process his or her application, they shall notify the applicant, or his or her legal representative in the territory of the Party providing the notification, without undue delay.
3. Upon request of the applicant, the competent authorities of a Party shall provide, without undue delay, information concerning the status of his or her application.
4. The competent authorities of each Party shall promptly notify the applicant for entry and temporary stay of the outcome of his or her application, after a decision has been made. The notification shall include the approved period of stay and any other terms and conditions.

ARTICLE 6: TRANSPARENCY

Each Party shall establish or maintain appropriate mechanisms to respond to inquiries from interested persons regarding applications and procedures relating to the temporary entry of natural persons in accordance with the Party's schedule of specific commitments.

ANNEX 9-C
FINANCIAL SERVICES

ARTICLE 1: SCOPE AND DEFINITIONS

1. This Annex shall apply to measures by the Parties affecting trade in financial services.¹
2. For the purposes of this Annex:
 - a “**financial service**” is any service of a financial nature offered by a financial service supplier of a Party. Financial services include all insurance and insurance-related services, and all banking and other financial services (excluding insurance). Financial services include the following activities:
 - (a) *Insurance and insurance-related services*
 - (i) direct insurance (including co-insurance):
 - (A) life;
 - (B) non-life;
 - (ii) reinsurance and retrocession;
 - (iii) insurance intermediation, such as brokerage and agency; and
 - (iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;
 - (b) *Banking and other financial services (excluding insurance)*
 - (i) acceptance of deposits and other repayable funds from the public;
 - (ii) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions;
 - (iii) financial leasing;
 - (iv) all payment and money transmission services, including credit, charge and debit cards, travellers check and bankers drafts;
 - (v) guarantees and commitments;

¹ “**trade in financial services**” shall be understood in accordance with the definition of "trade in services" as contained in Article 9.2 of Chapter 9 (Trade in Services).

- (vi) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
 - (A) money market instruments (including checks, bills, certificates of deposits);
 - (B) foreign exchange;
 - (C) derivative products including, but not limited to, futures and options;
 - (D) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
 - (E) transferable securities;
 - (F) other negotiable instruments and financial assets, including bullion;
- (vii) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
- (viii) money broking;
- (ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depositary and trust services;
- (x) settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments;
- (xi) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;
- (xii) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (i) through (xi), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

a **financial service supplier** means any natural or juridical person of a Party wishing to supply or supplying financial services but the term “financial service supplier” does not include a public entity.

public entity means:

- (a) a government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or
- (b) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

services supplied in the exercise of governmental authority means the following:

- (a) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;
- (b) activities forming part of a statutory system of social security or public retirement plans; and
- (c) other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Government.

For the purposes of the definition of "services" as contained in Article 9.2 of Chapter 9 (Trade in Services), if a Party allows any of the activities referred to in subparagraphs (b) or (c) of this paragraph to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier, “services” shall include such activities.

The definition of "**a service supplied in exercise of governmental authority**" as contained in Article 9.2 of Chapter 9 (Trade in Services) shall not apply to services covered by this Annex.

self-regulatory organization means any non-governmental body, including any securities or futures exchange or market, clearing agency or other organization or association that exercises its own or delegated regulatory or supervisory authority over financial service suppliers.

ARTICLE 2: PAYMENT AND CLEARING SYSTEMS

Each Party shall grant, on a national treatment basis, to financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities and to official funding and refinancing facilities available in the normal course of ordinary business. This paragraph is not intended to confer access to the Party's lender of last resort facilities.

ARTICLE 3: SELF-REGULATORY ORGANIZATIONS

When membership or participation in, or access to, a self-regulatory body, securities or futures exchange or market, clearing agency, or any other organisation or association, is required by a Party in order for financial service suppliers of the other Party to supply financial services on an equal basis with financial service suppliers of the Party; or when the Party provides directly or indirectly such entities, privileges or advantages in supplying financial services, the Party shall ensure that such entities accord national treatment to financial service suppliers of the other Party resident in its territory.

ARTICLE 4: TRANSPARENCY

1. Each Party shall make its best efforts to promote regulatory transparency in financial services taking into account:
 - (a) the work undertaken by the Parties in the GATS and in other fora relating to trade in financial services; and
 - (b) the importance of regulatory transparency, of identifiable policy objectives and of clear and consistently applied regulatory processes.
2. The competent authorities of each Party shall make publicly available the domestic requirements and applicable procedures for completing applications relating to the supply of financial services.

ARTICLE 5: PRUDENTIAL MEASURES

1. Notwithstanding any other provisions of Chapter 9 (Trade in Services), a Party shall not be prevented from adopting or maintaining measures for prudential reasons, including for:
 - (a) the protection of investors, depositors, policy-holders, persons to whom a fiduciary duty is owed by a financial service supplier; or
 - (b) ensuring the integrity and stability of that Party's financial system.

Where such measures do not conform with the provisions of Chapter 9 (Trade in Services), they shall not be used as a means of avoiding that Party's commitments or obligations under Chapter 9 (Trade in Services).

ARTICLE 6: TREATMENT OF INFORMATION

Nothing in Chapter 9 (Trade in Services) or in this Annex shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

ARTICLE 7: RECOGNITION OF PRUDENTIAL MEASURES

1. Where a Party recognises, by agreement or arrangement, prudential measures of a non-party in determining how the Party's measures relating to financial services shall be applied, that Party shall afford adequate opportunity to the other Party to negotiate its accession to such an agreement or arrangement, or to negotiate a comparable agreement or arrangement with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement.

2. Where a Party accords such recognition autonomously, it shall afford adequate opportunity for another Party to demonstrate that such circumstances exist.

ARTICLE 8: TRANSFERS OF INFORMATION AND PROCESSING OF INFORMATION

1. No Party shall take measures that prevent transfers of information into or out of the Party's territory or the processing of financial information, including transfers of data by electronic means, or that, subject to importation rules consistent with international agreements to which both Parties are parties, prevent transfers of equipment, where such transfers of information, processing of financial information or transfers of equipment are necessary for the conduct of the ordinary business of a financial service supplier of another Party.

2. Nothing in this Article restricts the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts, so long as such right is not used to circumvent the provisions of this Agreement.

ANNEX 9-D
TELECOMMUNICATIONS SERVICES

ARTICLE 1: SCOPE AND DEFINITIONS

1. This Annex shall apply applies to measures by Parties affecting trade in telecommunications services.¹ It shall not apply to measures relating to broadcasting or to cable distribution of radio or television programming.²
2. Nothing in this Annex shall be construed to:
 - (a) require a Party or require a Party to compel any enterprise to establish, construct, acquire, lease, operate, or provide telecommunications transport networks or services where such networks or services are not offered to the public generally;
 - (b) require a Party to compel any enterprise exclusively engaged in the broadcast or cable distribution of radio or television programming to make available its broadcast or cable facilities as a public telecommunications transport network; or
 - (c) prevent a Party from prohibiting persons operating private networks from using their networks to supply public telecommunications transport networks or services to third parties.
3. For the purpose of this Annex:

a **regulatory authority** means the body or bodies entrusted with any of the regulatory tasks assigned in relation to the issues mentioned in this Annex;

essential facilities means facilities of a public telecommunications transport network or service that:

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to supply a service;

major supplier means a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of;

¹ “**Trade in telecommunications services**” shall be understood in accordance with the definitions contained in Article 9.2 of Chapter 9 (Trade in Services), and also includes measures in respect of the access to and use of public telecommunication network and services.

² “**Broadcasting**” shall be defined as provided for in the relevant law of each Party.

- (a) control over essential facilities; or
- (b) the use of its position in the market.

public telecommunications transport network means the public telecommunications infrastructure which permits telecommunications between and among defined network termination points;

public telecommunications transport service means any telecommunications transport service required, explicitly or in effect, by a Party to be offered to the public generally. Such services may include, inter alia, telegraph, telephone, telex, and data transmission typically involving the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form of the customer's information;

reference interconnection offer means an interconnection offer extended by a major supplier that is sufficiently detailed to enable a supplier of a public telecommunications transport service to know the rates and conditions to obtain interconnection;

telecommunications means the transport of electromagnetic signals such as sound, data image and any combination thereof. The sector of telecommunications services does not cover the economic activity consisting of content provision which requires telecommunications services for its transport;

ARTICLE 2: COMPETITIVE SAFEGUARDS

1. Each Party shall maintain appropriate measures for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.
2. The anti-competitive practices referred to in paragraph 1 shall include, in particular:
 - (a) engaging in anti-competitive cross-subsidization;
 - (b) using information obtained from competitors with anti-competitive results; and
 - (c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to supply services.

ARTICLE 3: INTERCONNECTION

1. This Article shall apply to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one

supplier to communicate with users of another supplier and to access services supplied by another supplier.

2. Any supplier licensed to provide telecommunications services shall have rights of interconnection with other providers of publicly available telecommunications networks and services. Interconnection rates should in principle be based on cost or be based on otherwise regulated rates for the suppliers concerned.

3. An interconnection point in the network shall be subject to negotiations between service suppliers and to technical feasibility. In the event that the service suppliers encounter difficulties with said negotiations, the competent authority shall be able to intervene and rule, in accordance with the Parties' relevant regulations. Such negotiations shall ensure that interconnection agreements are concluded:

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favorable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates; and
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the services to be supplied.

4. Each Party shall ensure that suppliers of public telecommunications transport networks or services in its territory take appropriate steps to protect, *inter alia*:

- (a) the privacy of individuals in relation to the processing and dissemination of personal data;
- (b) the confidentiality of individual records; and
- (c) the confidentiality of commercially sensitive information of, or relating to, suppliers and end-users of telecommunications services. Data and information obtained by a telecommunications service supplier shall only be used for the purpose of providing those services.

5. Nothing in this Annex restricts the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts, and other information protected under law.

ARTICLE 4: UNIVERSAL SERVICE

1. Each Party has the right to define the kind of universal service obligation it wishes to have.

2. Each Party shall administer any universal service obligation that it maintains in a transparent, non-discriminatory, and competitively neutral manner and shall ensure that its universal service obligation is not more burdensome than necessary for the kind of universal service that it has defined.

ARTICLE 5: LICENSES AND OTHER AUTHORIZATIONS

1. Where a Party requires a supplier of public telecommunications transport services to have a license, concession, permit, registration, or other type of authorization, the Party shall make publicly available:

- (a) all applicable licensing, or authorization criteria and procedures it applies;
- (b) the time it normally requires to reach a decision concerning an application for a license, concession, permit, registration, or other type of authorization; and
- (c) the terms and conditions of all licenses or authorizations it has issued.

2. Each Party shall ensure that, on request, an applicant receives the reasons for the denial of a license, concession, permit, registration, or other type of authorization.

ARTICLE 6: INDEPENDENT REGULATORY AUTHORITY

1. Each Party's regulatory authority for telecommunications services shall be separate from, and not accountable to, any supplier of basic telecommunications services.

2. Each Party shall ensure that the decisions of, and the procedures used by, its regulatory authority are impartial with respect to all market participants.

ARTICLE 7: SCARCE RESOURCES

1. Each Party shall ensure that its procedures for the allocation and use of scarce telecommunications resources, including frequencies, numbers and rights of way, are carried out in an objective, timely, transparent, and non-discriminatory manner. Each Party shall make publicly available the current state of allocated frequency bands, but detailed identification of frequencies allocated for specific government uses shall not be required.

2. When assigning a spectrum for non-government radio-electric telecommunications services, each Party shall endeavor to rely as a rule on marketbased approaches, taking full account of public interests.

ARTICLE 8: RESOLUTION OF TELECOMMUNICATIONS DISPUTES

Each Party shall ensure that:

- (a) suppliers may submit a recourse to its regulatory authority or other relevant body to resolve disputes regarding major suppliers;
- (b) a supplier that has requested interconnection with a major supplier, has recourse at any time or after a reasonable publicly specified period of time to its regulatory authority to resolve disputes regarding appropriate terms, conditions and rates for interconnection with that major supplier within a reasonable timeframe; and
- (c) suppliers affected by the decisions of its regulatory authority have recourse to appeal to an independent administrative body and/or a court in accordance with the Party's law.

ARTICLE 9: TRANSPARENCY

Each Party shall ensure that relevant information on conditions affecting access to and use of public telecommunications transport networks and services is publicly available, including:

- (a) tariffs and other terms and conditions of service;
- (b) specifications of technical interfaces with such networks and services;
- (c) information on bodies responsible for the preparation and adoption of standards affecting such access and use;
- (d) conditions applying to attachment of terminal or other equipment to the public telecommunications network; and
- (e) notifications, permits, registration or licensing requirements, if any.

ARTICLE 10: FLEXIBILITY IN THE CHOICE OF TECHNOLOGIES

1. Neither Party may prevent suppliers of public telecommunications transport services from having the flexibility to choose the technologies that they use to supply their services, including commercial mobile wireless services, subject to requirements necessary to satisfy legitimate public policy interests, provided that any measure restricting such choice is not prepared, adopted, or applied in a manner that creates unnecessary obstacles to trade.

2. For greater certainty, nothing in this Annex shall be construed to prevent a telecommunications regulatory body from requiring the proper license or other authorization to supply each public telecommunications transport service.

ANNEX 9 - E

SECTION A:

ISRAEL - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
ALL SECTORS INCLUDED IN THIS SCHEDULE		<p>(3) Registration of corporate bodies. The Companies Law 5759-1999 requires that a public corporation must have on its board at least two outside directors who must be residents of Israel and who have no business or other relationship with the company or with the holder of control of the company. Public companies whose shares are listed abroad, can appoint non-resident outside directors.</p> <p>A foreign company that maintains in Israel a place of business or an office for registration or transfer of shares is required to register as a foreign company and pay the requisite fees. A foreign partnership, i.e. one formed outside Israel, may only carry on business in Israel if it is registered with the Israel Registrar of Partnerships. In the case of a limited partnership, registration has to be sanctioned by the Minister of Justice who at his discretion may authorize or refuse registration.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(4) Presence of Natural Persons</p> <p>1. Unbound except that Israel shall permit, without requiring compliance with labour market tests, the temporary entry of service providers as intra-corporate transfers in the following categories:</p> <p>(a) <u>Executives</u>: persons who primarily direct the management of the organization, establish its goals and generally have a wide decision making authority;</p> <p>(b) <u>Managers</u>: persons who direct the organization or its department and are in a senior level position responsible for the service providing functions of the organization by supervising and controlling and having also authority to hire and fire personnel or recommend such and other personnel actions.</p> <p>2. Unbound: Work permit will be issued in compliance with the labour market tests to those intra-corporate specialists, who possess knowledge at an advanced level of expertise or otherwise essential or proprietary to the organization's service, research equipment, techniques or management.</p>	<p>(4) Unbound except for executives and managers referred to under Market Access.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR-SPECIFIC COMMITMENTS			
<p>1. BUSINESS SERVICES</p> <p>A. <u>Professional Services</u></p> <p>(a) Legal services (CPC 861)</p> <p>(b) Accounting (CPC 862)</p> <p>(d) Architectural services (CPC 8671)</p>	<p>(1) None (2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) A branch of a foreign law firm may be established in Israel if it employs either at least one Israeli licensed lawyer or one foreign lawyer as defined in the Israeli Law, and subject to the conditions set forth therein. Israeli residency or citizenship is required for licensure.</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Engineering services (CPC 8672-8673)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
(g) Urban planning (CPC 8674)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
B. <u>Computer and Related Services</u>			
(a) Consultancy services related to the installation of computer hardware (CPC 841)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
(b) Software implementation services (CPC 842)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(c), (d) Data processing and database services (CPC 8440 and 843, excluding time-sharing services (CPC 84330) insofar as it is related to telecommunications services)</p> <p>(e) Maintenance and repair services of office machinery and equipment including computers (CPC 845)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
F. <u>Other Business Services</u> (a) Advertising (CPC 871)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Market research and public opinion (CPC 864) (c) Management consulting (CPC 865-866)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section. (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section. (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(h) Services incidental to mining and oil-field (CPC 8830)	(1) Unbound [□] (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound* (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.	
(k) Placement and supply services of personnel - domestic market only (CPC 872)	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.	
(m) Related scientific and technical consulting services (CPC 8675)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(p) Photographic services (CPC 875)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
<p>2. COMMUNICATION SERVICES</p> <p>A, B. <u>Postal/Courier Services</u> (CPC 75111-2 and 7512) Above 500g per addressed item</p> <p>C. <u>Telecommunication Services</u> All sub-sectors</p>	<p>(1) None (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>(1),(3) Except with respect to termination of services from abroad, a service supplier must be incorporated under Israeli law and maintain his main place of business in Israel.</p>	<p>(1) None (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section</p>	<p>Regulatory Principles as contained in the Annex</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(a) Voice telephone services (CPC 7521)</p> <p>(i) Public voice telephone:</p> <ul style="list-style-type: none"> - wire-based - facilities based - local/long distance¹ <p>(ii) Public voice telephone:</p> <ul style="list-style-type: none"> - wire-based - facilities based - International <p>(iii) Public voice telephone:</p> <ul style="list-style-type: none"> - facilities based - local/long distance - radio-based (cellular), including VAS supplied by mobile network operators 	<p>(1) None</p> <p>(2) None</p> <p>(3) Foreign holding of up to 80% is permitted.</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) 74% foreign ownership permitted in international service providers</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) Local partner required; no more than 80% of shares may be owned by a foreign entity.</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) 75% of the members of board of directors must be Israeli citizens and residents</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) Majority of members of board of directors must be Israeli citizens and residents</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) Majority of members of board of directors must be Israeli citizens and residents</p> <p>(4) Unbound except as indicated in horizontal section</p>	

¹ International simple resale is not permitted.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(iv) Non-public voice telephone: closed user groups and private networks</p> <p><i>Excess capacity may only be resold by a supplier with an appropriate license; must be point-to-point without any transmission to a third party. A supplier of private network services wishing to connect private locations must either obtain a public voice telephone license or use a licensed public voice telephone supplier.</i></p>	<p>(1) None. (2) None (3) None (4) Unbound except as indicated in horizontal section</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in horizontal section</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Packet-switched data transmission (CPC 75231) and (c) Circuit-switched data transmission services (CPC 75231) (f) Facsimile services (CPC 7521** + 7529**) (g) Private-leased circuit services (CPC 75231) (o) Other (i) Paging services (ii) Satellite services	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal section	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal section	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Audio visual Services</u></p> <p>(a) Motion pictures and videotape production (CPC 96111-2)</p> <p>Distribution of motion pictures and video-tape (CPC 96113)</p>	<p>(1) Unbound (2) None (3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) None (3) Israeli movies (25% Israeli investments) are entitled to a grant. (4) Unbound except as indicated in the horizontal section.</p> <p>(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>4. DISTRIBUTION SERVICES</p> <p>B. <u>Wholesale Trade Service</u> Wholesale trade service of motor vehicles (CPC 61111)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p>	<p>(1) Unbound except as indicated in the horizontal section (2) None (3) None (4) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>C. <u>Retailing services</u></p> <p>Retail sales of motor vehicles (CPC 61112)</p> <p>Sales of motorcycles and snow mobiles and related parts and accessories (CPC 6121)</p> <p>Retail sales of fuel oil, bottled gas, coal and wood (CPC 63297)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) None Unbound except as indicated in the horizontal section</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>6. ENVIRONMENTAL SERVICES</p> <p>A. <u>Sewage services</u> (CPC 9401) (Not including industrial activities)</p> <p>B. <u>Refuse disposal services</u> (CPC 9402) (Not including industrial activities)</p> <p>C. <u>Sanitation and similar services</u> (CPC 9403) (Not including industrial activities)</p> <p>D. <u>Other</u> Cleaning services of exhaust Gases (CPC 9404)</p> <p>Noise abatement services (CPC 9405) (Not including industrial</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>Note: The common practice in this sector is to require a local representative.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
activities)			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>5. FINANCIAL SERVICES</p> <p><u>General Notes:</u></p> <ol style="list-style-type: none"> 1. Israel accepted the obligations of Article VIII of the Articles of Agreement of the International Monetary Fund, Sections 2, 3, and 4 on September 21, 1993. Israel maintains an exchange system free of restrictions on the making of payments and transfers for current international transactions, with the exception of measures introduced for security reasons pursuant to Decision No. 144-(52/51) of the IMF, and subject to a reporting requirement to the Bank of Israel directly or through the financial intermediary. 2. For prudential reasons within the context of paragraph 2(a) of the GATS Annex on Financial Services, Israel applies, <i>inter alia</i>, measures requiring juridical form of establishment or residence of natural persons in Israel for the supply of Financial Services. 3. Modes of supply 1 and 2 in financial services schedules: the absence of any limitation on the ability of a resident consumer to purchase the service in the territory of another Member does not signify a commitment to allow a non-resident service supplier to solicit business or to conduct active marketing in the territory of the Member. 			
<p><u>All Insurance and Insurance Related Services</u></p> <p>I. Direct insurance</p> <p>(A) Life insurance including Pension fund</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(1) (2) Tax benefits may be granted only for a purchase of insurance in Israel. (3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(B) Non-Life insurance services	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.	(1) Events which call for insurance to be provided by an authorized insurer, as defined under Israeli law, must be purchased from an insurance company established in Israel and licenced by the Israeli Commissioner of Insurance; (2) None (3) Unbound except as indicated in the horizontal section.	
(C) M.A.T	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
II. Reinsurance and retrocession	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(c) Risk assessment</p> <p>(d) Claim settlement services</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>Banking and other Financial Services</u> (Excluding Insurance)</p> <p>V. Acceptance of deposits and other repayable funds from the public</p>	<p>(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
VI. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction	(1), (2) Such activities may only be carried out through banking institutions licenced by the controller of foreign exchange to act as an authorized dealer. (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	(1), (2) Such activities may only be carried out through Banking institutions licenced by the controller of foreign exchange to act as an authorized dealer. (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	
VII. Financial leasing	(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
VIII. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
IX. Guarantees and commitments	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
X. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(A) money market instruments (including cheques, bills, certificates of deposits, etc.)</p> <p>(B) Foreign exchange</p> <p>(E) Transferable securities</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	
<p>XI. Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues</p>	<p>(1) Unbound (2) Unbound (3) Banks are required to carry out such activities only through subsidiaries. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>XIII. Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services</p> <p>XIV. Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments</p>	<p>(1) Unbound (2) Unbound (3) Banks are required to carry out asset management activities only through subsidiaries. With regards to all forms of collective investment management, banks may not engage, or own a company which engages, in collective investment management. (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members. (4) Unbound, except as indicated in the horizontal section.</p>	
<p>XV. Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services</p>	<p>(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
XVI. Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (V) through (XV), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	(1) Unbound (2) Unbound (3) Banks are forbidden to render advice on acquisitions and on corporate restructuring, and strategy (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
9. TOURISM AND TRAVEL-RELATED SERVICES			
A. <u>Hotel Services</u> (CPC 641)	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
Food serving services (CPC 642-643)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. <u>Travel Agencies and Tour Operators</u> (CPC 7471)	(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.	
C. <u>Tourist Guides Services</u> (CPC 7472)	(1) Unbound* (2) None (3) Israeli resident or citizen. (4) Unbound except as indicated in the horizontal section.	(1) Unbound* (2) None (3) Israeli resident or citizen. (4) Unbound except as indicated in the horizontal section.	

□ unbound due to lack of technical feasibility

ANNEX 9 - E

SECTION B:

PANAMA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) **Cross-border supply** (2) **Consumption abroad** (3) **Commercial presence** (4) **Presence of natural persons**

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
EXPLANATORY NOTES:			
<ul style="list-style-type: none"> - For the purposes of this Schedule, the term “None” indicates a services sector or sub-sector where there are no terms, limitations and conditions on market access or conditions and qualifications on national treatment. The term “Unbound” indicates that no national treatment or market access commitments have been made. The term “Unbound*” means unbound due to lack of technical feasibility. - The absence of specific reservations in a given services sector or sub-sector is without prejudice to the horizontal reservations that apply. - The level of commitments in a particular services sector shall not supersede the level of commitments undertaken with respect to any other services sector to which such service is an input for the particular service or to which it is otherwise related. - CPC numbers indicated in parenthesis are references to the United Nations Provisional Central Product Classification (Statistical Papers, Series M, N° 77, Provisional Central Product Classification, Department of International Economics and Social Affairs, Statistical Office of the United Nations, New York, 1991). 			
PART I. HORIZONTAL COMMITMENTS			
This Part sets out those commitments that apply to trade in services in all scheduled services sectors unless otherwise specified. Those commitments that apply to trade in specific services sectors are listed in Part II.			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
ALL SECTORS INCLUDED IN THIS SCHEDULE			
	(1) (2) (3) (4) <u>Panama Canal</u> Unbound with regard to the geographical areas included in the Treaties of the Panama Canal.		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
		<p>(3)</p> <p>(a) Foreign natural or juridical persons and nationals all or part of whose capital is foreign may not acquire land situated less than 10 kilometers from the frontier nor ownership of islands within the jurisdiction of the Republic;</p> <p>(b) No foreign government, or foreign official or semi-official entity or institution may own any part of the territory of Panama, except property used for an embassy, according to the domestic law;</p> <p>(c) Panama reserves the right to adopt or maintain a measure denying to foreign investors and their investments or to foreign services providers a right or privilege granted to minorities with social or economic disadvantages or native populations in their reservation areas;</p> <p>(d) Panama reserves the right to limit the transfer or disposal of an interest held in an existing</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
		<p>Panamanian state enterprise so that only Panamanian nationals may receive that interest;</p> <p>If Panama transfers or disposes of an interest in an existing state enterprise as described in the above paragraph, Panama may adopt or maintain a measure related to the nationality of the senior management and members of the board of directors of an enterprise that receives that interest;</p> <p>(e) Economic activities or services considered as public services or public utilities may be subject to a public monopoly or to exclusive rights granted to natural persons or juridical persons, public or private.</p> <p>The majority of the capital of a private enterprise engaged in public utilities that operate in Panama shall be owned by a Panamanian person, except where provided by domestic law.</p>	
	<p>(3) and (4)</p> <p>Not less than 90 percent of the ordinary workforce of any employer must consist of Panamanian workers, or foreigners with a Panamanian spouse or with 10 years of residence in the country. Foreign specialized or technical personnel may not exceed 15 percent of the total workforce.</p> <p>For specific commitments bound on mode 3, it is</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>understood that those enterprises with fewer than 10 workers are permitted temporary entry of one person, under the conditions bound for mode 4.</p> <p>Notwithstanding, a higher proportion of foreign specialized or technical personnel may be permitted for a fixed period of time, on previous recommendation of the respective Ministry and approval of the Ministry of Labor and Social Welfare.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(4) Categories</p> <p>Unbound, except for the measures concerning the entry and temporary stay of natural persons falling within the categories defined in paragraphs a, b, c, and subject to the provisions of the legislation relating to immigration, entry, stay and work.</p> <p>(a) Sellers of services: persons not established in Panama and not receiving remuneration from a source situated in Panama, who are engaged in activities connected with the representation of suppliers of services for the purpose of negotiating the sale of the services of those suppliers;</p> <p>(b) Executives, managers and specialists who are employed by firms which supply services in Panama through a branch, subsidiary or affiliate and who have been previously in its employ for not less than six months</p>	<p>(4)</p> <p>Unbound, except as indicated in market access column.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>immediately preceding the date of application of entry.</p> <p>Executives: means a business person within an organization who:</p> <ul style="list-style-type: none"> • primarily directs the management of the organization or a major component or function of the organization; • establishes the goals and policies of the organization, or of a component or function of the organization; and • exercises wide latitude in decision-making and receives only general supervision or direction from higher-level executives, the board of directors or stockholders of the business organization; <p>Managers: means a business person within an organization who:</p> <ul style="list-style-type: none"> • primarily directs the organization or a department or sub-division of the organization; • supervises and controls the work of other supervisory, professional or managerial employees; • has the authority to hire and fire or take other personnel actions (such as promotion 		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>or leave authorization); and</p> <ul style="list-style-type: none"> • exercises discretionary authority over day-to-day operations. <p>Specialists: Persons within an organization who possess the knowledge at an advanced level of continuous experience and are in possession of confidential information about the services, research, equipment, techniques or administration of the enterprise.</p> <p>(c) Installers and maintainers: qualified specialists who has the technical knowledge essentials to comply with the contractual obligation of the seller or to train workers and are employee of an enterprise located outside Panama not having commercial presence in Panama, supplying installation or maintenance services for machinery or industrial equipment. The supply of that service has to occur on a fee or contractual basis (installation/maintenance contract) between the builder of the machinery or equipment and the owner of that machinery or equipment, both of them being enterprises (excluding any supply of services in connection with enterprises mentioned by CPC 872). The</p>		
Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	period of stay is limited to a period of 90 days. Unbound for the supply of reserved professional services ¹ according to the domestic legislation at the time of entry into force of this Agreement, unless otherwise specified in Section 1.A. PROFESSIONAL SERVICES.		

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
PART II. SECTOR SPECIFIC COMMITMENTS			

¹ For transparency, Appendix 9-A.1 includes a list of measures applied to reserved professional services.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>1. BUSINESS SERVICES</p> <p>A. <u>Professional Services</u></p> <p>(a) Legal services. - Exclusively: legal consultancy on international law (excludes Panamanian law) and consultancy on law of the jurisdiction in which the service supplier is qualified as a lawyer. Does not include appearance in courts or administrative, judicial, maritime or arbitral authorities in Panama, nor the drafting of legal documents (part of CPC 861)</p> <p>(b) Accounting, auditing and bookkeeping services (CPC 862)</p>	<p>None</p> <p>None</p> <p>None</p> <p>1) Unbound, except as indicated in the categories of</p> <p>2) Part I.</p> <p>3)</p> <p>4)</p> <p>1) Unbound</p> <p>2) None</p> <p>3) Panamanian juridical persons may make agreements to add to their letterheads and signs the names of firms, corporations and juridical or natural foreign persons engaged in the services provided by a Certified Public Accountant in his country of origin, or in international co-</p>	<p>None</p> <p>None</p> <p>None</p> <p>1) Unbound, except as indicated in the categories of</p> <p>2) Part I.</p> <p>3)</p> <p>4)</p> <p>1) Unbound</p> <p>2) None</p> <p>3) None, except that license to provide the services is subject to nationality condition.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>ordination of the professional practice of public accountancy. Professional acts demanding public certification may only be provided by Panamanian Certified Public Accountants. Professional associations are unbound.</p> <p>4) Unbound</p>	<p>4) Unbound</p>	
(c) Advisory tax services exclusively: tax planning services for enterprises (CPC 86301)	<p>1) None 2) None 3) Unbound 4) Unbound</p>	<p>1) Unbound 2) Unbound 3) Unbound 4) Unbound</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(d) Architectural services (CPC 8671)	1) Only a company registered with the Technical Board will provide architectural services in Panama. To register, the company must be established in Panama. 2) None 3) None, except that the persons responsible for the architectural works must be professionals licensed in Panama. 4) Only holders of a certificate of qualification issued by the Engineering and Architecture Technical Council may practice as architects, to obtain this certificate is required to be a Panamanian national or a foreign national married to a Panamanian national or with Panamanian children. The hiring of a professional from Israel in the field of architecture for purposes limited to that	1) None 2) None 3) None 4) Unbound	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>specialization may be permitted, provided that the Engineering and Architecture Technical Council can show that there are no Panamanian professionals suitable for providing such services. If such professional is hired for more than 12 months, the hiring entity must employ a Panamanian professional in order to receive the training necessary to enable him to replace the foreigner at the end of his contract.</p> <p>Authorizations to hire specialists of the State of Israel for less than 12 months may not be extended.</p>		
(e) Engineering services (CPC 8672)	<ol style="list-style-type: none"> 1) Only a company registered with the Technical Board will provide engineering services in Panama. To register, the company must be established in Panama. 2) None 3) None, except that the persons responsible for the engineer works must be professionals licensed in Panama. 4) Only holders of a certificate of qualification issued by the Engineering and Architecture Technical Council may practice as engineers, to obtain this certificate is required to be a Panamanian national or a foreign national married to a Panamanian national or with Panamanian children. The hiring of a professional from Israel in the field of engineer 	<ol style="list-style-type: none"> 1) None 2) None 3) Unbound 4) 	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>for purposes limited to that specialization may be permitted, provided that the Engineering and Architecture Technical Council can show that there are no Panamanian professionals suitable for providing such services. If such professional is hired for more than 12 months, the hiring entity must employ a Panamanian professional in order to receive the training necessary to enable him to replace the foreigner at the end of his contract. Authorizations to hire specialists of the State of Israel for less than 12 months may not be extended.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Integrated engineering services (CPC 8673)	1) Only a company registered with the Technical Board will provide engineering services in Panama. To register, the company must be established in Panama. 2) None 3) None, except that the persons responsible for the engineer works must be professionals licensed in Panama. 4) Only holders of a certificate of qualification issued by the Engineering and Architecture Technical Council may practice as engineers, to obtain this certificate is required to be a Panamanian national or a foreign national married to a Panamanian national or with Panamanian children. The hiring of a professional from Israel in the field of engineer for purposes limited to that specialization may	1) None None 2) None 3) Unbound 4)	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>be permitted, provided that the Engineering and Architecture Technical Council can show that there are no Panamanian professionals suitable for providing such services. If such professional is hired for more than 12 months, the hiring entity must employ a Panamanian professional in order to receive the training necessary to enable him to replace the foreigner at the end of his contract.</p> <p>Authorizations to hire specialists of the State of Israel for less than 12 months may not be extended.</p>		
(g) Urban planning and landscape architectural services (CPC 8674)	<ol style="list-style-type: none"> 1) Only a company registered with the Technical Board will provide architectural services in Panama. To register, the company must be established in Panama. 2) None 3) None, except that the persons responsible for the architectural works must be professionals licensed in Panama. 4) Only holders of a certificate of qualification issued by the Engineering and Architecture Technical Council may practice as engineers or architects, to obtain this certificate is required to be a Panamanian national or a foreign national married to a Panamanian national or with Panamanian children. The 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound 	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	hiring of a professional from Israel in the field of architecture for purposes limited to that		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>specialization may be permitted, provided that the Engineering and Architecture Technical Council can show that there are no Panamanian professionals suitable for providing such services. If such professional is hired for more than 12 months, the hiring entity must employ a Panamanian professional in order to receive the training necessary to enable him to replace the foreigner at the end of his contract. Authorizations to hire specialists of the State of Israel for less than 12 months may not be extended.</p>		
(h) Medical and dental services (including psychologists), (CPC 9312 and part of CPC 85201)	<p>1) Unbound 2) None 3) None, except that professional license (idoneidad) to provide the service is subject to nationality conditions. 4) Unbound</p>	<p>1) Unbound 2) None 3) None 4) Unbound</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(i) Veterinary services (CPC 932)	1) Unbound 2) None 3) None, except that professional license (idoneidad) to provide the service is subject to nationality conditions. 4) Unbound	1) Unbound 2) None 3) Veterinarians with license (idoneidad) will have priority for the technical leadership of juridical persons engaged in veterinarian activities. 4) Unbound	
<u>B. Computer and Related Services</u>			

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Consultancy services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) None. Does not include retail sale of hardware. 4) Unbound, except as indicated in Part I	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(b) Software implementation services (CPC 842)			
(c) Data processing services (CPC 843)			
(d) Data base services (CPC 844)			
(e) Maintenance and repair of hardware (CPC 845)			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Research and Development Services</u>			
(a) R&D services on natural sciences (CPC 851)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(b) R&D services on social sciences and humanities (CPC 852 excluding psychologists services)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(c) Interdisciplinary R&D services (CPC 853)	1) None 2) None 3) None	1) None 2) None 3) None	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in Part I.	4) Unbound, except as indicated in Part I.	
E. <u>Rental/Leasing Services without Operators</u>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Relating to ships (CPC 83103)	1) None 2) None 3) None 4) Unbound in relation to the ship crew and key personnel employed in connection with a commercial presence except as indicated in Part I.	1) None 2) None 3) None 4) Unbound in relation to the ship crew and key personnel employed in connection with a commercial presence except as indicated in Part I.	
(b) Relating aircraft (CPC 83104)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(c) Relating to other transport equipment. Exclusively: rental of cars without driver (CPC 83101)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(d) Relating to other machinery and equipment (CPC 83106, 83107, 83108)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(e) Relating to personal and household goods (CPC 832)	1) None 2) None 3) None	1) None 2) None 3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in Part I.	4) Unbound, except as indicated in Part I.	
<u>F. Other Business Services</u>			
(a) Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) Unbound 3) Unbound 4) Unbound, except as indicated in Part I.	
(b) Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(c) Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound, as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(d) Services related to management consulting (CPC 866)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
(e) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I. 5)		1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Services incidental to agriculture, hunting and forestry, (part of CPC 881). Except services providing agricultural, machinery with operators, harvesting and related services and labor contracting services.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(g) Services incidental to fishing (CPC 882)	1) None 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	1) None 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
(h) Services incidental to mining (CPC 883)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(i) Services incidental to manufacturing (CPC884 + 885) except 88442	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(k) Placement and supply services of personnel (k) 1. Executive search (CPC 87201) (k) 2. Placement services (CPC 87202)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(k) 3. Supply services of office support (CPC 87203)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(k) 4. Model agency services (CPC 87209)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(m) Related scientific and technical consultancy services (m) 1. Geological, geophysical and other scientific prospection services (CPC 86751) (m) 2. Underground topography Services (CPC86752) (m) 3. Surface topography service (CPC 86753)	1) None 2) None 3) None, except that the engineers have to be licensed in Panama. 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(o) Building-cleaning services (CPC 874)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(p) Photographic services (CPC 875)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(r) Printing, publishing (CPC 88442)	<ol style="list-style-type: none"> 1) None 2) None 3) None, except an enterprise producing a print publication that is part of the Panamanian communications mass media, such as a newspaper or magazine must be a hundred percent owned (directly or indirectly) by a Panamanian national and its managers (including its publishers, editors-in-chief, deputy directors and assistant managers) must be Panamanian nationals. 4) Unbound, except as indicated in Part I. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as indicated in Part I. 	
(s) Convention services (part of CPC 87909)	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as indicated in Part I. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as indicated in Part I. 	
(t) Others			
(t) 1. Credit reporting services (CPC 87901)	<ol style="list-style-type: none"> 1) Unbound 2) Unbound None 3) Unbound, except as indicated in Part I. 4) 	<ol style="list-style-type: none"> 1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in Part I. 	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(t) 2. Telephone answering services (CPC 87903)	1) None 2) None None 3) Unbound, except as indicated in Part I. 4)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(t) 5. Duplicating services. Does not include printing services (CPC 87904)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
2. COMMUNICATION SERVICES			
B. Courier services - Express delivering services (part of CPC 7512) ²	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	

² Express delivery services do not include (i) air transport services), (ii) services supplied in the exercise of governmental authority, or (iii) maritime transport services.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>C. <u>Telecommunication Services</u></p> <p>For the purpose of the commitment excluding broadcasting,⁴ in the present context, telecommunications services are the transmission and reception of signals by an electromagnetic means, including by photonic means,³⁴</p>			
<p><u>Public telecommunication services</u></p> <p>(a) Voice telephone services (CPC 7521)</p> <p>(b) Packet/switched data</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) Cellular mobile telephone services are</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except that an enterprise that is directly or</p>	

³ The sector of telecommunications services does not cover the economic activity consisting of content provision.

⁴ Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of TV and radio program signals to the general public, but does not cover contribution links between operators.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
transmission (part of CPC 7523) (c) Circuit/switched data transmission (part of CPC 7523) (d) Telex services (part of CPC 7523) (e) Telegraph services (CPC 7522) (f) Facsimile services (part of CPC 7521+7529) (g) Private leased circuit services (part of CPC 7522+7523)	4) provided exclusively by four operators who have been granted the concessions by the State Unbound, except as indicated in Part I.	4) indirectly owned or controlled by a foreign government or in which a foreign government is a partner may not supply telecommunications services in the territory of Panama. Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>Value added telecommunications</u></p> <p>(h) Electronic mail (part of CPC 7523)</p> <p>(i) Voice mail (part of CPC 7523)</p> <p>(j) On-line information and data base retrieval (part of CPC 7523)</p> <p>(k) Electronic data interchange (EDI) (part of CPC 7523)</p> <p>(l) Enhanced/value-added facsimile services (including store and retrieve) (part of</p>	<p>1)</p> <p>2)</p> <p>3)</p> <p>None</p> <p>None</p> <p>None</p> <p>4)</p> <p>Unbound, except as indicated in Part I.</p>	<p>1)</p> <p>2)</p> <p>3)</p> <p>None</p> <p>None</p> <p>None, except that an enterprise that is directly or indirectly owned or controlled by a foreign government or in which a foreign is a partner may not supply telecommunications services in the territory of Panama.</p> <p>Unbound, except as indicated in Part I.</p>	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>CPC 7523)</p> <p>(m) Code and protocol conversion</p> <p>(n) On-line information and/or data processing (including transaction processing) (part of CPC 843)</p> <p>(o) Other</p>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Audiovisual Services</u> (a) Motion pictures and video tape production and wholesale distribution services (CPC 96112). (b) Motion picture projection service (CPC 96121), and (e) Sound recording	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. <u>General construction work for buildings (CPC 512)</u>	1) Unbound* 2) None 3) None, except that the persons responsible for the engineering and architectural works must be professionals in the field licensed in	1) Unbound* 2) None 3) Unbound	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Panama. 4) Unbound, except as indicated in Part I.	4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. <u>General construction work for civil engineering</u> (CPC 513)	1) Unbound* 2) None 3) None, except that the persons responsible for the engineering and architectural works must be professionals in the field licensed in Panama. 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
C. <u>Installation and assembly work</u> (CPC 514 and 516)	1) Unbound* 2) None 3) None, except that the persons responsible for the engineering and architectural works must be professionals in the field licensed in Panama. 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
D. <u>Building completion and finishing work</u> (CPC 517)	1) Unbound* 2) None 3) None, except that the persons responsible for the engineering and architectural work must be professionals in the field licensed in Panama. 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
4. DISTRIBUTION SERVICES (excluding the			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
distribution of weapons, ammunition, explosives and other war materials)			
A. <u>Commission agents services</u> (CPC 621)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
B. <u>Wholesale trade services</u> (CPC 622)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
D. <u>Franchising</u> (CPC 8929)	1) None, except that services of the franchise operation provided at the retail level are limited to citizen of Panama. 2) None 3) None, except that services of the franchise operation provided at the retail level are limited to citizens of Panama 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
5. <u>EDUCATIONAL SERVICES</u>	Panama reserves the right to adopt or maintain a measure for a public purpose such as public education		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

A. <u>Primary education services</u> (CPC 921)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound except as indicated in Part I.	
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Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. <u>Secondary education services</u> (CPC 922)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I. In addition, history of Panama and citizenship must be taught by Panamanians.	
C. <u>Higher education services</u> (CPC 923)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
D. <u>Adult education services</u> (CPC 924)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
E. <u>Other education services</u> (CPC 929)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
6. <u>ENVIRONMENTAL SERVICES</u>			
D. Exclusively: cleaning services of exhaust gases; noise abatement services (CPC 94040 and 94050).	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Commitments will be limited to the following activities: implementation and installation of new or existing cleaning systems, remedial, preventive and monitoring services; consulting services in these fields.			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
E. Nature and landscape protection services (part of CPC 94060) Exclusively: services for conducting studies on the relation between the environment and climate, including services of evaluation of natural disaster and reduction of their consequences.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
7. FINANCIAL SERVICES Other horizontal commitments specific for financial services	4) Unbound for services sales persons, brokers or stock agents.		
A. <u>Insurance and insurance related services</u>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(i) Direct insurance (aa) Life	<ol style="list-style-type: none"> 1) Persons domiciled in the Republic of Panama must insure all property and persons located in Panama with insurance companies that are authorized to operate in Panama. For that authorization it is required the establishment in Panama. The Superintendency of Insurance and Reinsurance, having verified that an insurance policy cannot be obtained from insurance carriers authorized to operate in Panama, may grant authorization to obtain them in Israel and will record this authorization in the pertinent register. 2) None 3) None 4) Unbound, except as indicated in Part I. 		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(bb) Non life insurance services excluding transportation	<p>1) Persons domiciled in the Republic of Panama must insure all property and persons located in Panama with insurance companies that are authorized to operate in Panama. For that authorization it is required the establishment in Panama. The Superintendency of Insurance and Reinsurance, having verified that such insurance policies cannot be obtained from insurance carriers authorized to operate in Panama, may grant authorization to obtain them in the State of Israel and will record this authorization in the pertinent register.</p> <p>2) None</p> <p>3) None</p>	<p>1) None</p> <p>None</p> <p>None</p> <p>2)</p> <p>3)</p>	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in Part I.	4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Transportation insurance	<ol style="list-style-type: none"> 1) None with respect to goods exported from Panama, from the time they are outside Panama. 2) None 3) None 4) Unbound, except as indicated in Part I. 	<ol style="list-style-type: none"> 1) None with respect to goods exported from Panama, from the time they are outside Panama. 2) None 3) None 4) Unbound, except as indicated in Part I. 	
(ii) Reinsurance and retrocession (CPC 81299)	<ol style="list-style-type: none"> 1) None 2) 3) None 4) None Unbound, except as indicated in Part I. 	<ol style="list-style-type: none"> 1) None, except that the insurance companies authorized to operate must designate at least two general proxies. Both of these proxies must be a natural person with residence in Panama and at least one of them must be a Panamanian national. None 2) None 3) Unbound, except as indicated in Part I. 4) 	
(iii) Insurance intermediation, such as brokerage and agency	<ol style="list-style-type: none"> 1) Unbound 2) None 3) Unbound 4) Unbound 	<ol style="list-style-type: none"> 1) Unbound 2) None 3) Unbound 4) Unbound 	
(iv) Services auxiliary to insurance (exclusively actuarial, and average and loss adjustment services) (CPC 81403 and 81404)	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as indicated in Part I. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound, except as indicated in Part I. 	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. <u>Banking and Other Financial Services (excluding insurance, financial enterprise, and saving and loan associations)</u>	The branches of foreign banks must designate at least two general proxies. Both of these proxies must be a natural person with residence in an Panama and at least one of them must be a Panamanian national.		
(v) Acceptance of deposits and other repayable funds from the public (CPC 81115 – 81119)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(vi) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction (CPC 8113)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(vii) Financial leasing with option to purchase (Exclusively: movable goods) (CPC 8112)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) **Cross-border supply** (2) **Consumption abroad** (3) **Commercial presence** (4) **Presence of natural persons**

(viii) All payment and money transmission services, including credit, charge and	1) None 2) None 3) None	1) None 2) None 3) None	
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Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
debit cards, travelers check and bankers drafts (does not include local transmission services)	4) Unbound, except as indicated in Part I.	4) Unbound, except as indicated in Part I.	
(ix) Guarantees (banking guarantees) and commitments;	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(x) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: <ul style="list-style-type: none"> - money market instruments (including checks, bills, certificates of deposits); - foreign exchange; - derivative products including, but not limited to, futures and options; - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements; - transferable securities; - other negotiable instruments and financial assets, including bullion. 	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(xi) Participation in issues of all kinds of securities, including underwriting (Does not include agents)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(xii) Money broking	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(xiv) Settlement and clearing services for financial assets, including securities, derivative products	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(xv) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
(xvi) Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraph (v) through (xv), including	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.			
8. HEALTH RELATED AND SOCIAL SERVICES (other than those listed under 1.A.h-j of document GNS/W/120) (only wholly funded services)	maintna reserves the right to adopt or maintain a ainedmeas ire for the following services, provided that the are social services established or for a public purpose.		
A. <u>Hospital services</u> (CPC 9311)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	
B. <u>Other human health services</u>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Ambulance services (CPC 93192)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Residential health facilities other than hospital services (CPC 93193)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	
9. TOURISM AND TRAVEL RELATED SERVICES			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. <u>Hotels and restaurants (including catering)</u> (CPC 641, 642 and 643)	1) Unbound*, except none for catering 2) None 3) No license for the operation of a bar (including restaurants and establishment that the principal activity is to sale spirit for consumption in the local) will be granted in any district in Panama when the number of existing bars in such district exceeds the proportion of one per one thousand inhabitants according to the latest official population census. Unbound, except as indicated in Part I. 4)	1) Unbound* except for catering 2) None 3) None 4) Unbound, except as indicated in Part I.	
B. <u>Travel agencies and tour operator services</u> (CPC 7471)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
C. <u>Tourist guides services</u> (CPC 7472)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)			
A. <u>Entertainment services (including theatre, live bands and circus services)</u> (CPC 9619)	1) Unbound 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
B. <u>News agency services</u> (CPC 962)	1) None 2) None 3) A company producing a print publication that is part of the Panamanian communications mass media, such as a newspaper or magazine must be a hundred percent owned (directly or indirectly) by a Panamanian national and its managers (including its publishers, editor-in-chief, deputy directors and assistant managers), must be Panamanian nationals. 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Sporting services</u> (CPC 9641)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
E. <u>Recreation park and beach services</u> (CPC 96491)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
11. TRANSPORT SERVICES			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>A. <u>Maritime transport</u> - International transport freight and passengers (part of CPC 7211 and 7212) less cabotage transport.</p>	<p>1) None 2) None 3) None 4) Unbound, in relation to the ship crew and key personnel employed in connection with a commercial presence.</p>	<p>1) None 2) None 3) None 4) Unbound, in relation to the ship crew and key personnel employed in connection with a commercial presence except as indicated in Part I.</p>	<p>The following services are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions:</p> <ol style="list-style-type: none"> 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fueling, watering 4. Garbage collecting, ballast waste disposal 5. Captains services inspector 6. Navigation aids 7. shore-based operational services essential to ship operations, including communications, water electrical supplies 8. Emergency repair facilities 9. Anchorage, berth, berthing services

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Maritime Auxiliary Services - Maritime cargo handling services (CPC 741)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	
- Storage and warehousing services (CPC 742)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	
- Customs Clearance Services	1) Unbound* 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) Unbound 4) Unbound, except as indicated in Part I.	
- Container Station and Depot Services	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	
- Maritime Agency Services	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Freight Forwarding Services	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in Part I.	

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Air transport services</u>			
(d) Maintenance and repair of aircraft (CPC 8868)	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	1) None 2) None 3) None 4) Unbound, except as indicated in Part I.	
H.2 <u>Services auxiliary to rail transport</u>			
(a) Cargo handling services (Part of CPC 741)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in Part I.	
(b) Storage and warehouse services (part of CPC 742)			

Modes of supply: (1) **Cross-border supply** (2) **Consumption abroad** (3) **Commercial presence** (4) **Presence of natural persons**

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments

APPENDIX 9-E.1 MEASURES APPLIED TO RESERVED PROFESSIONAL SERVICES

1. Lawyers: Article 3 and 16 of Law No. 9 of April 18, 1984.
2. Accountants: Articles 4, 7, 9, and 10 of Law 57 of September of 1978.
3. Architects and Engineers: Articles 1, 2, 3, 4, and 24 of Law 15 of January 26, 1959.
4. Economist: Article 3 of Law No. 7 of April 14, 1981.
5. Journalism: Articles 9 - 11 of Law No. 67 of September 19, 1978.
6. Public relations specialist: Article 4 of Law No. 21 of June 16, 2005.
7. Psychology: Article 5 of Law No. 55 of December 3, 2002.
8. Sociology: Articles 2 and 3 of Law No. 1 of January 3, 1996.
9. Social worker: Article 3 of Law No. 17 of July 23, 1981.
10. Library sciences profession: Article 3 of Law No. 20 of October 9, 1984.
11. Certified Public Translator: Article 2141 of Law No. 59 of July 31, 1998, amending the name of Title XVII and Articles 2140, 2141 and 2142 of the Administrative Code, and repealing Article 13 of Law No. 33 of 1984.
12. Aeronautic Personnel: Article 1, Chapter 2 of Decision No. 036-JD of December 22, 1986.
13. Customs broker: Article 44 of the Law Decree 1 of 2008.
14. Real Estate Agent: Articles 3 and 4 of Executive Order No. 6 of July 8, 1999.
15. Broker: Article 198 of Law No. 23 of July 15, 1997.
16. Professional Agricultural Services related: Articles 2, 3, and 4 of Law No. 22 of January 30, 1961.
17. Nutritionist and Dietician: Articles 4 and 16 of Cabinet Decree No. 362 of November 26, 1969.
18. Phono-Audiologist, Speech and Language Therapist, and Audiometrician or Audiology Technician: Article 5 of Law No. 34 of October 9, 1980.
19. Veterinary Medicine: Articles 1 and 8 of Law No. 3 of January 11, 1983.
20. Medical Assistant: Articles 3 and 4 of Decree No. 32 of February 17, 1975.
21. Odontology: Article 1 of Law No. 22 of February 9, 1956.
22. Dental Assistant: Article 2 of Law No. 21 of August 12, 1994.
23. Health Code, Articles 37, 108, 197, and 198.
24. Nurses: Article 9 of Law No. 1 of January 6, 1954.
25. Clinical Laboratory Worker: Article 3 of Law No. 74 of September 19, 1978.
26. Physiotherapy and/or kinesiobiology: Articles 7, 13, and 15 of Law No. 47 of November 22, 1984.
27. Chiropractor: Article 2 of Decree Law No. 8 of April 20, 1967.
28. Medical Radiology Technician: Article 6 of Law No. 42 of October 29, 1980.
29. Orthopedic and Nuclear Medicine Technicians: Decision No. 1 of April 15, 1985.

30. Neurophysiology Technician, Encephalographic Technician, and Electro-Neurography or Evoked Potentials Technician: Decision No. 2 of June 1, 1987.
31. Occupational Health Technician: Decision No. 1 of February 8, 1988.
32. Respiratory Therapy Technician or Respiratory Inhalotherapy Technician: Article 2 of Decision No. 10 of March 24, 1992.
33. Prosthetic-Orthotic Technician: Article 3 of Decision No. 19 of November 12, 1991.
34. Histology: Article 2 of Decision No. 7 of December 15, 1992.
35. Radiological Health Technician: Article 2 of Decision No. 50 of September 14, 1993.
36. Cardiovascular Perfusion Technician: Article 2 of Decision No. 1 of January 21, 1994.
37. Technician and Assistant Technician in Medical Information Technology: Article 2 of Decision No. 2 of January 25, 1994.
38. Assistant Technician in Medical Radiology: Article 2 of Decision No. 4 of June 10, 1996.
39. Specialist in Emergency Surgery: Article 3 of Decision No. 1 of May 25, 1998.
40. Technician in Human Genetics: Article 3 of Decision No. 2 of May 25, 1998.
41. Pharmaceutical: Article 35 of Law No. 24 of January 29, 1963.
42. Chemist: Articles 11 and 20 of Law No. 45 of August 7, 2001.
43. Barber and Cosmetologist: Article 5 of Law No. 4 of January 23, 1956.
44. Orthopedic Technology and Traumatology: Articles 4 and 5 of Law No. 15 of January 22, 2003.
45. Medical Physics: Article 5 of Resolution No. 3 of August 26, 2004.
46. Water Lifesaving: Article 17 of Law No. 19 of June 5, 2007.
47. Emergency Medical Technicians and Professionals: Article 3 of Law No. 49 of December 5, 2007.
48. Community Developer: Article 5 of Law No. 31 of June 3, 2008.
49. Early Stimulation and Family Orientation: Article 3 of Law No. 28 of May 22, 2008.
50. Respiratory Therapist: Article 5 of Law No. 53 of August 5, 2008.

APPENDIX 9-E.1 SECTION B -2

CHAPTER 10 ELECTRONIC COMMERCE

ARTICLE 10.1: DEFINITIONS

For purposes of this Chapter:

digital product means a computer program, text, video, image, sound recording or other digital product that is digitally encoded;

telecommunications means the transmission and reception of signals by electromagnetic means;

transmitted electronically means delivered through telecommunications, alone or in conjunction with other information and communication technologies; and

personal information means any information, including data, about an identified or identifiable natural person.

ARTICLE 10.2: OBJECTIVE, SCOPE AND COVERAGE

1. The Parties recognise that electronic commerce increases economic growth and trade opportunities in many sectors and confirm the applicability of *WTO* rules to electronic commerce.
2. The Parties confirm that this Agreement shall apply to electronic commerce.
3. Nothing in this Chapter imposes obligations on a Party to allow a digital product transmitted electronically except in accordance with the obligations of that Party under the other Chapters of this Agreement.

ARTICLE 10.3: CUSTOMS DUTIES ON DIGITAL PRODUCTS TRANSMITTED ELECTRONICALLY

1. A Party shall not apply a customs duty, fee or charge on a digital product transmitted electronically.
2. A Party may impose an internal tax or other internal charge on a digital product transmitted electronically if the tax or other charge is imposed in a manner consistent with this Agreement.

ARTICLE 10.4: ONLINE CONSUMER PROTECTION

1. The Parties recognise the importance of maintaining and adopting transparent and effective measures to protect consumers from fraudulent and deceptive commercial activities, as well as measures conducive to the development of consumer confidence, when they engage in electronic commerce.

2. To this end, each Party shall adopt or maintain consumer protection laws to proscribe fraudulent and deceptive commercial activities that cause harm or potential harm to consumers engaged in online commercial activities.

ARTICLE 10.5: PROTECTION OF PERSONAL INFORMATION

1. Nothing in this Chapter restricts the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts, and other information protected under the law of that Party.

2. Insofar as possible, the Parties shall endeavor, within their respective competences, to develop or maintain, as the case may be, domestic law for the protection of personal data.

ARTICLE 10.6: COOPERATION

1. Recognizing the global nature of electronic commerce, the Parties affirm the importance of:

- (a) working together to facilitate the use of electronic commerce of small and medium sized enterprises;
- (b) sharing information and experiences on:
 - (i) laws, regulations, and programs in the sphere of electronic commerce, including those related to data privacy, consumer confidence and protection, security in electronic communications, authentication, intellectual property rights, and electronic government;
 - (ii) fostering electronic commerce through the encouragement of the private sector to adopt codes of conduct, model contracts, guidelines, and enforcement mechanisms;
- (c) working to maintain cross-border flows of information as an essential element in fostering a supportive environment for electronic commerce; and
- (d) actively participating in regional and multilateral fora, to promote the development of electronic commerce.

CHAPTER 11 INTELLECTUAL PROPERTY RIGHTS

ARTICLE 11.1: INTERNATIONAL AGREEMENTS

The Parties reaffirm their rights and obligations under the *TRIPS Agreement* and other intellectual property agreements to which both Parties are party.

ARTICLE 11.2: GENERAL PROVISIONS

1. Each Party shall accord to the nationals of the other Party, in accordance with its legal system, including laws, regulations and procedures, protection of intellectual property rights. Each Party shall ensure fair and equitable procedures for the enforcement of such rights and that measures intended for the enforcement of those rights do not create obstacles to legitimate trade.
2. Each Party may accord in its legal system a broader protection for intellectual property rights than the protection required in this Chapter, provided that this protection is not inconsistent with this Chapter.
3. The Parties recognize the need to achieve a balance between the rights and legitimate interests of rights holders and users of intellectual property, in a manner consistent with the flexibilities provided for in international intellectual property agreements to which a Party to this Agreement is a party, presently or in the future.
4. No matter arising under this Chapter shall be subject to Chapter 14 (Dispute Settlement) of this Agreement.

ARTICLE 11.3: TRADEMARKS

1. For the purposes of this Agreement, a trademark is any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings.
2. Each Party shall provide protection for trademarks, for purposes of this Agreement, in accordance with the provisions of the *TRIPS Agreement*.

ARTICLE 11.4: ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

1. The Parties reaffirm their commitments under Part III of the *TRIPS Agreement* and shall provide in their respective legislation for enforcement provisions of at least the same level as provided in the *TRIPS Agreement*.
2. Each Party shall establish in its legal system administrative, civil and criminal procedures, consistent with the requirements for such under the *TRIPS Agreement*, to ensure adequate and effective protection of intellectual property rights.

ARTICLE 11.5: COOPERATION IN THE FIELD OF INTELLECTUAL PROPERTY

1. The Parties, recognizing the growing importance of intellectual property rights as a factor of social, economic and cultural development, will endeavor to enhance their cooperation in the field of intellectual property rights.
2. In accordance with the respective resources of the Parties, the areas of cooperation may include the following activities:
 - (a) exchange of information and experience on:
 - (i) legal frameworks and legislative processes;
 - (ii) enforcement;
 - (b) exchange of experience and facilitation of technical assistance; and
 - (c) exchange of information on, and training of, personnel in offices related to intellectual property rights.

ARTICLE 11.6: OTHER PROVISIONS

The Parties acknowledge the importance Panama ascribes to the issue of traditional knowledge and folklore to its people. Therefore, if Israel will recognize traditional knowledge or folklore as intellectual property rights in its internal legislation, either Party may request consultations on whether to incorporate similar provisions, as appropriate, in this Agreement.

CHAPTER 12
ADMINISTRATION OF THE AGREEMENT

ARTICLE 12.1: ESTABLISHMENT AND FUNCTIONS OF THE JOINT COMMITTEE

1. The Parties hereby establish the Joint Committee, composed of representatives of both Parties. The principal representative of each Party shall be the cabinet-level officer or Minister primarily responsible for international trade, or a person designated by the cabinet level officer or Minister.
2. The Joint Committee shall be co-chaired by a representative of the Ministry of Economy and Industry on the Israeli side and by a representative of the Ministry of Commerce and Industries on the Panamanian side, or their successors.
3. The Joint Committee shall:
 - (a) supervise and facilitate the implementation of this Agreement;
 - (b) review the general functioning of this Agreement;
 - (c) examine the further development of this Agreement;
 - (d) supervise the work of all bodies established under this Agreement;
 - (e) establish the amount of remuneration and expenses to be paid to arbitrators under the Dispute Settlement Chapter;
 - (f) without prejudice to Chapter 14 on Dispute Settlement and other provisions of this Agreement, explore the most appropriate ways to prevent or solve any difficulties that may arise in relation to matters covered by this Agreement; and
 - (g) consider any other matters that may affect the operation of this Agreement.
4. The Joint Committee may:
 - (a) agree to the initiation of negotiations, with the aim of deepening the liberalization already achieved in sectors covered by this Agreement;
 - (b) recommend to the Parties to adopt any amendment or modification to the provisions of this Agreement. Any such amendment or modification shall enter into force in accordance with the procedure set forth in Article 17.3 (Entry Into Force);
 - (c) modify by a Joint Committee decision:
 - (i) the Schedule to Annex 2-B (Tariff Elimination for Industrial Goods), 2-C (Preferential Treatment for Fishery Goods) and 2-D (Preferential Treatment for Agricultural

Goods), with the purpose of adding one or more goods excluded in the Schedule of a Party;

- (ii) the phase-out periods established in Annex 2-B (Tariff Elimination for Industrial Goods), 2-C (Preferential Treatment for Fishery Goods) and 2-D (Preferential Treatment for Agricultural Goods), with the purpose of accelerating the tariff reduction;
- (iii) the specific rules of origin established in Annex 3-A (Specific Rules of Origin);
- (iv) the Schedules of specific commitments established in Article 9.13 and the List of MFN Exceptions established in Article 9.3 and in accordance with Article 9.14 (Modification of Schedules) and 9.15 (Review); and
- (v) the Rules of Procedure for Arbitral Tribunal Proceedings established in Annex 14-A and the Code of Conduct established in Annex 14-B.

Each Party shall implement, subject to the completion of its applicable internal legal procedures and upon notification of such, any modification referred to in this subparagraph, within such period as the Parties may agree;

- (d) adopt interpretive decisions concerning this Agreement binding on Arbitral Tribunal established under Article 14.10 (Request for the Establishment of an Arbitral Tribunal) and Tribunals established under Article 8.12 (Settlement of Disputes between a Party and an Investor of the Other Party); and
- (e) take any other action in the exercise of its functions as the Parties may decide.

5. The Parties hereby establish the following Committees:

- (a) Committee on Trade in Goods;
- (b) Committee on Rules of Origin and Customs Procedures and Trade Facilitation; and
- (c) Committee on Investments.

6. The Joint Committee may establish and delegate responsibilities to committees, subcommittees or working groups and it shall determine the rules of procedure of those bodies.

7. The Joint Committee shall establish its rules and procedures. All decisions of the Joint Committee shall be taken by mutual consent.

8. The Joint Committee shall, normally, convene once every two (2) years. In addition, special meetings shall be convened upon request in writing of either Party. Unless otherwise decided by the Parties, sessions of the Joint Committee shall be held alternately in the territory of each Party, or by any technological means available.

ARTICLE 12.2: FREE TRADE AGREEMENT COORDINATORS

1. Each Party shall appoint a free trade agreement coordinator and notify the other Party of the details of such Coordinator within sixty (60) days following the entry into force of this Agreement.

2. The Coordinators shall jointly:

- (a) work to develop agendas;
- (b) make other preparations for the Joint Committee meetings;
- (c) follow-up on the Joint Committee's decisions as appropriate;
- (d) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided for in this Agreement;
- (e) receive any notifications and information submitted under this Agreement, unless otherwise provided for in this Agreement; and
- (f) assist the Joint Committee in any other matters referred to them by the Joint Committee.

3. The coordinators of this Agreement may meet as often as necessary by any technological means available.

CHAPTER 13

TRADE AND ECONOMIC COOPERATION

ARTICLE 13.1: OBJECTIVES

1. The Parties agree to establish a framework for bilateral cooperative relations, for the purpose of expanding and enhancing their capabilities as well as the benefits and opportunities resulting from this Agreement.
2. Cooperation between the Parties shall be aimed specifically at enhancing their trade capacities and creating new opportunities for trade, investment, services, research, development, innovation and transfer of technology.

ARTICLE 13.2: SCOPE

1. The Parties recognize that cooperation under this Chapter is complimentary to cooperation activities set out in other Chapters of this Agreement. The cooperation will cover areas as agreed by them, with an emphasis on the following:
 - (a) strengthening trade capacities;
 - (b) trade, investment and services, including logistic services;
 - (c) research, development, innovation and transfer of technology; and
 - (d) joint business initiatives.
2. Nevertheless, the Parties agree to explore the possibility to extend cooperation in the future to other areas, mutually approved by them.
3. Cooperation will be directed mainly to increase the capacity and competitiveness of the cooperatives and small and medium enterprises (SMEs) and may include other entities from the private and the public sector, academia and institutions dedicated to research, agreed by the Parties.
4. The Parties will identify and develop specific and innovative projects, programs and activities, through a work program, capable of providing added value to their relations.
5. The Parties will endeavor to undertake a cooperative work program taking into consideration the economic, environmental, social, cultural and legal system differences between the Parties and each Party's national priorities.
6. Sustainable development shall be integrated and reflected in the implementation of this Chapter.

7. The Parties will endeavour to encourage the negotiation and signing of agreements between governmental entities, on issues arising from this Chapter to further develop cooperation in specific areas.

ARTICLE 13.3: MODALITIES

The Parties will endeavour to encourage the use of technical, technological and scientific cooperation, through the following ways:

- (a) joint organization of conferences, seminars, workshops, meetings, training sessions and outreach and education programs;
- (b) joint development of technological and practical demonstrations, applied research projects, studies and reports;
- (c) exchange of delegations, professionals, technicians and specialists from the academic sector, institutions dedicated to research, private sector and governmental agencies, including study visits and internship programs for professional training;
- (d) dialogue and exchange of experiences between the Parties' private sector and agencies involved in trade promotion;
- (e) promote joint business initiatives between entrepreneurs of the Parties;
- (f) facilitation of partnerships, linkages or other new channels for the development and transfer of knowledge and technologies among representatives from the academia, institutions dedicated to research, the private sector and governmental agencies; and
- (g) any other form of cooperation that may be agreed by the Parties.

ARTICLE 13.4: COOPERATIVE ADMINISTRATORS

1. The Cooperative Administrators shall be responsible for the following:

- (a) examine, evaluate and approve the proposals for projects, programs and activities that will be reflected in the work program;
- (b) develop the work program and follow up on its implementation;
- (c) inform the Joint Committee about the work program and making recommendations on ways to improve cooperation; and
- (d) undertake such other activities on which the Parties may agree.

2. The Cooperative Administrators or their designate may meet or communicate by electronic mail, video conference or by any other means of communication agreed by the Parties.

3. The Parties designate Cooperative Administrators to facilitate communication concerning the implementation of this Chapter. The Cooperative Administrators are:

(a) For Israel:

Foreign Trade Administration, Ministry of Economy
5 Bank Israel St., Jerusalem 9103101 Israel
Tel: (972) 2 6662667
Fax: (972) 2 6662958
Email: IsraelFTAs@Economy.gov.il; and

(b) For Panama:

National Direction for the Administration of International Trade Agreements, Ministry of Trade and Industry (Director Nacional de Administración de Tratados Comerciales Internacionales, Ministerio de Comercio e Industrias)
Edison Plaza, Ave. Ricardo J. Alfaro, El Paical, 2nd Floor
Panama, Republic of Panama
Tel: (507) 560-0610
Fax: (507) 560-0691
Email: admtratados@mici.gob.pa;

or their successors.

ARTICLE 13.5: RESOURCES

All cooperation under this Chapter shall be subject to the availability of funds and human, technological, material and organizational resources in accordance with the capacities of the Parties.

ARTICLE 13.6: OTHER PROVISIONS

Cooperation undertaken pursuant to this Chapter will be conducted in accordance with the respective laws, regulations and procedures of the Parties.

ARTICLE 13.7: CONSULTATIONS

1. To foster understanding between the Parties or to address any matter arising under this Chapter, a Party may request consultations within the Joint Committee in writing indicating the reasons for the consultations. The consultations shall be held promptly with a view to reaching an amicable solution consistent with the objectives set forth in this Chapter.

2. This Chapter shall not be subject to Chapter 14 (Dispute Settlement) of this Agreement.

ARTICLE 13.8: RELATION TO THE TRADE AND ECONOMIC COOPERATION AGREEMENT

In the event of any inconsistency between this Agreement and the *Agreement between the Government of the State of Israel and the Government of the Republic of Panama on Trade and Economic Cooperation*, signed in Jerusalem on April 11, 2010 and its Amending Protocol signed in Panama on February 9, 2011, this Agreement shall prevail.

CHAPTER 14 DISPUTE SETTLEMENT

ARTICLE 14.1: OBJECTIVE

1. The objective of this Chapter is to provide an effective and efficient dispute settlement process between the Parties regarding their rights and obligations under this Agreement.
2. The Parties shall endeavor to agree regarding the interpretation and application of this Agreement and shall make all efforts through cooperation, consultation, or other means, to reach a mutually agreed solution concerning any matter that might affect its operation.
3. A solution mutually acceptable to the Parties to a dispute and consistent with this Agreement is clearly to be preferred. In the absence of a mutually agreed solution, the first objective of this Chapter will be in general to secure the withdrawal of the measures concerned if these are found to be inconsistent with the provisions of this Agreement.

ARTICLE 14.2: SCOPE

1. Unless otherwise provided in this Agreement, the provisions of this Chapter shall apply with respect to any dispute arising between the Parties from the interpretation, application, fulfillment or non-fulfillment of the provisions contained in this Agreement.
2. If any Party considers that any benefit it could reasonably have expected to accrue to it under Chapters 2 (National Treatment and Market Access for Goods); 3 (Rules of Origin); 4 (Customs Procedures and Trade Facilitation) and; 5 (Sanitary and Phytosanitary Measures); 6 (Technical Barriers to Trade), and 9 (Trade in Services), is being nullified or impaired as a result of the application of any measure by the other Party that is not inconsistent with this Agreement, the Party may have recourse to dispute settlement under this Chapter.
3. When an Arbitral Tribunal has ruled that a provision of this Agreement has not been observed, the Party complained against shall take such measures as necessary to ensure the observance of such provision within its territory.

ARTICLE 14.3: MUTUALLY AGREED SOLUTION

The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time. The Parties shall jointly notify the Joint Committee of any such solution. Upon notification of the mutually agreed solution, any dispute settlement procedure under this Chapter shall be terminated.

ARTICLE 14.4: CONSULTATIONS

1. Any dispute with respect to any matter referred to in Article 14.2 shall, as far as possible, be settled by consultations between the Parties.
2. Any request for consultations shall be submitted in writing and shall give the reasons for the request, including identification of the measures at issue, and an indication of the legal basis of the request, including the provisions of the Agreement considered to be applicable.
3. If a request for consultation is made pursuant to paragraph 2, the Party to which the request is made shall reply to the request within fifteen (15) days after the date of its receipt and shall enter into consultations within a period of no more than thirty (30) days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution.
4. In cases of urgency, including a case involving a good that rapidly loses its trade value such as perishable goods, consultations shall be held within fifteen (15) days after the date of the receipt of the request of the other Party.
5. Consultations shall be held in person or by any technological means available. If done in person consultations shall be held on the territory of the Party complained against, unless the Parties agreed otherwise.
6. The Parties shall make every effort to reach a mutually satisfactory solution to any matter through consultations. To this end, the Parties shall:
 - (a) provide sufficient information as may be reasonably available at the stage of consultations to enable a full examination of the measure alleged to affect the implementation of the Agreement; and
 - (b) treat as confidential any information exchanged during the consultations.

ARTICLE 14.5: CONCILIATION

1. The Parties may at any stage of any dispute settlement procedure under this Chapter agree to undertake conciliation. Conciliation may begin at any time and be suspended or terminated by either Party at any time.
2. All proceedings under this Article shall be confidential and without prejudice to the rights of either Party in any further proceedings under the provisions of this Chapter.

ARTICLE 14.6: MEDIATION

1. If consultations fail to produce a mutually acceptable solution, the Parties may, by mutual agreement, seek the services of a mediator appointed by the Joint Committee. Any request for mediation shall be made in writing and identify the measure that has been subject of consultations, in addition to the mutually agreed terms of reference for the mediation.

2. During the mediation process the Parties shall not initiate arbitral proceedings conducted in accordance with this Chapter unless the Parties agree otherwise.

3. The Joint Committee shall appoint within ten (10) days of receipt of the request a mediator selected by lot from the persons included in the roster referred to in Article 14.8.2 who is not a national of either of the Parties.

The mediator shall:

(a) convene a meeting with the Parties no later than thirty (30) days after being appointed.

(b) receive the submissions of both Parties no later than fifteen (15) days before the meeting and issue an opinion no later than forty-five (45) days after having been appointed.

The mediator's opinion shall be non-binding and may include a recommendation on steps to resolve the dispute that is consistent with this Agreement.

4. Deliberations and all information including documents submitted to the mediator shall be kept confidential and shall not be brought before the Arbitral Tribunal in its proceedings conducted in accordance with this Chapter, unless the Parties agree otherwise.

5. The time limits referred to in paragraph 3 (a) and (b) may be amended, should circumstances so demand, upon mutual agreement of the Parties. Any amendment shall be notified in writing to the mediator.

6. In the event that mediation produces a mutually acceptable solution to the dispute, both Parties shall submit a notification in writing to the mediator and to the Joint Committee.

ARTICLE 14.7: CHOICE OF FORUM

1. Disputes regarding any matter covered both by this Agreement and the *WTO Agreement* or any other free trade agreement to which both Parties are party may be settled in either forum selected by the complaining Party.

2. Once dispute settlement procedures are initiated under Article 14.10 to this Agreement or under Article 6 (Establishment of Panels) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* contained in Annex 2

to the *WTO Agreement* or any other free trade agreement to which both Parties are party, the forum thus selected shall be used to the exclusion of the other.

ARTICLE 14.8: ROSTERS OF ARBITRATORS

1. Each Party shall establish within six (6) months after the date of entry into force of this Agreement and maintain an indicative roster of individuals who are willing and able to serve as arbitrators. Each roster shall be composed of five (5) members.

2. For the position of the arbitrator who will serve as chair of the Arbitral Tribunal, the Parties shall establish within six (6) months after the date of entry into force of this Agreement and maintain an indicative roster of six (6) individuals, who are not nationals of either Party, who shall not have their usual place of residence in either Party, and who are willing and able to serve as chair of the Arbitral Tribunal. This roster shall be established by consensus.

3. The Parties may have recourse to the rosters even if the rosters are not complete.

4. Once established, the rosters shall remain in effect until the Parties constitute a new roster. The Parties may select a replacement where a roster member is no longer available to serve.

ARTICLE 14.9: QUALIFICATION OF ARBITRATORS

1. All arbitrators shall:

- (a) have expertise or experience in law, international trade, other matters covered by this Agreement, or in solution of disputes arising under international trade agreements;
- (b) be chosen strictly on the basis of objectivity, impartiality, reliability, and sound judgment;
- (c) be independent of, and not be affiliated with or take instructions from any Party;
- (d) be nationals of states having diplomatic relations with both Parties;
and
- (e) comply with the Code of Conduct attached as Annex 14-B to this Agreement.

2. Individuals may not serve as panelists for a dispute in which they have participated pursuant to Articles 14.5, 14.6 and 14.13.1(d).

ARTICLE 14.10: REQUEST FOR THE ESTABLISHMENT OF AN ARBITRAL TRIBUNAL

1. The complaining Party may request the establishment of an Arbitral Tribunal if:

- (a) the Party complained against does not reply to the request for consultations in accordance to the time frames provided in this Chapter;
- (b) consultations are not held or the Parties have failed to settle the dispute through consultations within the period of sixty (60) days after the date of receipt of the request for consultations under Article 14.4 (3);
- (c) consultations are not held or the Parties have failed to settle the dispute through consultations within twenty-five (25) days after the date of receipt of the request for consultations under Article 14.4 (4) in matters regarding urgency; or
- (d) the Parties have had recourse to mediation and no mutually acceptable solution has been reached within fifteen (15) days after the issuance of the mediator's opinion.

2. Requests for the establishment of an Arbitral Tribunal shall be made in writing to the Party complained against and to the Joint Committee. The complaining Party shall identify in its request the specific measure at issue, and shall explain how that measure constitutes a violation of the provisions of this Agreement in a manner that clearly presents the legal basis for the complaint, including indicating the relevant provisions of this Agreement.

3. A Party shall not request the establishment of an Arbitral Tribunal to review a proposed measure.

4. An Arbitral Tribunal shall be deemed established upon the selection of the last arbitrator.

5. The request to establish the Arbitral Tribunal referred to in this Article shall constitute the terms of reference of the Arbitral Tribunal unless otherwise agreed by the Parties.

ARTICLE 14.11: COMPOSITION OF THE ARBITRAL TRIBUNAL

1. The Parties shall apply the following procedures in establishing an Arbitral Tribunal:

- (a) the Arbitral Tribunal shall comprise three (3) members;
- (b) within fifteen (15) days after the notification of the request for the establishment of the Arbitral Tribunal, the complaining Party shall

select one arbitrator and the Party complained against shall select one arbitrator.

If the complaining Party or the Party complained against fails to select an arbitrator within such period, an arbitrator shall be selected by lot from the indicative roster of that Party established under Article 14.8 within three (3) days after expiration of the said period, in the presence of representatives of both Parties. If no indicative roster of that Party exists, the arbitrator shall be selected from the indicative roster for chair and if no such roster exists, the arbitrator shall be selected from the indicative roster of the other Party, within the same said period;

- (c) the Parties shall endeavor to agree on a third arbitrator who shall serve as chair, within fifteen (15) days from the date the second arbitrator has been selected. If the Parties are unable to agree on the chair, the chair shall be selected by lot from the roster established under Article 14.8 within three (3) days after expiration of the said period, in the presence of representatives of both Parties;
- (d) each disputing Party shall endeavor to select arbitrators who have expertise or experience relevant to the subject matter of the dispute.

2. In case that a Party raises a reasoned objection against an arbitrator regarding his or her compliance with the Code of Conduct attached as Annex 14-B, the Parties shall follow the procedures provided for in rules 15 and 16 of Annex 14-A.

3. If an arbitrator is unable to participate in the proceedings, is removed or resigns, a new arbitrator shall be selected as provided for in Annex 14-A.

ARTICLE 14.12: FUNCTION OF ARBITRAL TRIBUNALS

1. The function of an Arbitral Tribunal shall be to make an objective assessment of the matter before it, in accordance with the request for the establishment of an Arbitral Tribunal, including an examination of the facts of the case and their applicability and consistency with this Agreement. If the Arbitral Tribunal determines that a measure is inconsistent with a provision of this Agreement, it shall recommend that the Party complained against bring the measure into conformity with that provision.

2. The Arbitral Tribunal shall base its award on the relevant provisions of this Agreement and on the information provided during the proceedings including submissions, evidence and arguments made at the hearings.

3. The Arbitral Tribunals established under this Chapter shall interpret the provisions of this Agreement in accordance with customary rules of interpretation

of public international law¹. Arbitral Tribunals cannot increase or diminish the rights and obligations contained in this Agreement.

ARTICLE 14.13: PROCEEDINGS OF ARBITRAL TRIBUNALS

1. Unless the Parties otherwise agree, the Arbitral Tribunal shall apply the Rules of Procedure attached as Annex 14-A, that shall ensure:

- (a) confidentiality of the proceedings and all written submissions to, and communications with, the Arbitral Tribunal;
- (b) a right to at least one (1) hearing before the Arbitral Tribunal;
- (c) an opportunity for each Party to provide initial and rebuttal submissions;
- (d) the ability of the Arbitral Tribunal to seek information, technical advice and expert opinions; and
- (e) the protection of confidential information.

2. An Arbitral Tribunal shall adopt its decisions by consensus. In the event that, an Arbitral Tribunal is unable to reach consensus, it shall adopt its decisions by majority vote.

3. The venue for the proceedings of the Arbitral Tribunal shall be, unless agreed otherwise by the Parties, Panama City if the complaining Party is Israel and Jerusalem if the complaining Party is Panama.

4. There shall be no ex-parte communications with the Arbitral Tribunal concerning matters under its consideration.

5. The award of the Arbitral Tribunal shall be set out in a written report issued to the Parties. The award shall include the findings and reasoning thereof, and its determination as to whether the Party complained against has complied with its obligations under this Agreement and any other finding or determination requested in the terms of reference, recommendations and/or rulings, as the case may be, and shall exclude payment of monetary compensation.

6. The Arbitral Tribunal shall allow the Parties fourteen (14) days to review the draft of the award prior to its finalization and shall address any comments by the Parties in its award.

7. The Arbitral Tribunal shall issue to the Parties its award on the dispute referred to it within ninety (90) days after the establishment of the Arbitral Tribunal. When the Arbitral Tribunal considers that it cannot issue its award within ninety (90) days, it shall inform the Parties in writing of the reasons for the

¹ For greater certainty interpretations of the Joint Committee pursuant to Article 12.1.4(d) (Establishment and Functions of the Joint Committee) shall be taken into consideration by the Arbitral Tribunal.

delay and shall indicate the estimated period of time within which it will issue its award. Under no circumstances shall the award be issued later than one hundred and twenty (120) days after the date of establishment of the Arbitral Tribunal.

8. If a Party considers a matter to be a case of urgency, including a case involving a good that rapidly loses its trade value such as perishable goods, that Party may submit a reasoned request to the Arbitral Tribunal for an accelerated time period for the Arbitral Tribunal proceedings.

In cases of urgency, the Arbitral Tribunal shall make every effort to issue its award within forty-five (45) days from the date of its establishment. Under no circumstances shall the award be issued later than seventy-five (75) days after the date of the establishment of the Arbitral Tribunal.

9. The award shall be final and binding on the Parties.

10. Unless otherwise agreed by the Parties, the award of the Arbitral Tribunal may be made publically available within ten (10) days after it is issued to the Parties, subject to the protection of confidential information.

ARTICLE 14.14: SUSPENSION AND TERMINATION OF PROCEEDINGS

1. Where the Parties agree, the Arbitral Tribunal may suspend its work at any time for a period not exceeding twelve (12) months from the date of such agreement. If the work of the Arbitral Tribunal has been suspended for more than twelve (12) months, the authority for establishment of the tribunal shall lapse unless the Parties agree otherwise.

2. The Parties may agree to terminate the proceedings of an Arbitral Tribunal established under this Chapter, in the event that a mutually satisfactory solution to the dispute has been found.

3. Suspension or termination of the proceedings shall not prejudice the right of the Parties to request the establishment of an Arbitral Tribunal on the same measure at a later time.

4. Before the Arbitral Tribunal issues its award, it may at any stage of the proceedings propose to the Parties that the dispute be settled amicably.

Article 14.15: COMPLIANCE WITH AN AWARD

1. The Party concerned shall promptly comply with the ruling of the Arbitral Tribunal. If it is impracticable to do so, the Parties shall endeavor to agree on a reasonable period of time to comply. In the absence of such agreement within thirty (30) days from the date of the issuance of the final award, either Party may request the original Arbitral Tribunal to determine the length of the reasonable period of time, in light of the particular circumstances of the case. A guideline for the Arbitral Tribunal shall be that the reasonable time to comply with the award

should not exceed fifteen (15) months from the date the award was issued. The ruling of the Arbitral Tribunal should be given within thirty (30) days from the submission of the request. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 14.11 shall apply.

2. In case of disagreement as to the existence of a measure complying with the ruling of the Arbitral Tribunal or to the consistency of that measure with the ruling of the Arbitral Tribunal, such dispute shall be decided by the same arbitral tribunal before compensation can be sought or suspension of benefits can be applied in accordance with Article 14.16. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 14.11 shall apply.

The ruling of the Arbitral Tribunal shall be rendered within ninety (90) days from the submission of the request.

ARTICLE 14.16: COMPENSATION AND SUSPENSION OF BENEFITS

1. If the Party concerned fails to properly comply with the ruling in the final award within a reasonable period of time as provided for in of Article 14.15.1 or fails to comply with a ruling under Article 14.15.2, that Party shall, if so requested by the complaining Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within twenty (20) days from the request, or an agreement has been reached but not complied with, the complaining Party shall be entitled to suspend the application of benefits granted under this Agreement but only equivalent to those affected by the measure or matter that the Arbitral Tribunal has found to be inconsistent with this Agreement.

2. In considering what benefits to suspend, the complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure or matter that the Arbitral Tribunal has found to be inconsistent with this Agreement. The complaining Party that considers it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.

3. The complaining Party shall notify the other Party to the dispute and the Joint Committee of the benefits which it intends to suspend, the grounds for such suspension and when suspension will commence, no later than thirty (30) days before the date on which the suspension is due to take effect. Within fifteen (15) days from that notification, the Party complained against may request the original Arbitral Tribunal to rule on whether the benefits which the complaining Party intends to suspend are equivalent to those affected by the measure found to be inconsistent with this Agreement, and whether the proposed suspension is in accordance with paragraphs 1 and 2. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 14.11 shall apply.

The ruling of the Arbitral Tribunal shall be given within forty-five (45) days from that request. Benefits shall not be suspended until the Arbitral Tribunal has issued its ruling.

4. Compensation and suspension of benefits shall be temporary measures and shall only be applied by the complaining Party until the measure or matter found to be inconsistent with this Agreement has been withdrawn or amended so as to bring it into conformity with this Agreement, or until the Parties have resolved the dispute otherwise.

5. The Party complained against shall notify the complaining Party of any measure adopted to comply with the award and the provisions of this Agreement.

6. With respect to paragraphs 4 and 5, any dispute between the Parties on whether a particular measure found by the Arbitral Tribunal to be inconsistent with this Agreement has been removed or brought into conformity with the Arbitral Tribunal's Award or whether the level of suspension is not in conformity with the Arbitral Tribunal's decision under paragraph 1, shall be referred to the same tribunal for a decision. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 14.11 shall apply. The requesting Party shall refer the matter to the Arbitral Tribunal together with its submissions and the other Party shall respond within fifteen (15 days). The ruling of the Arbitral Tribunal shall be given within thirty (30) days from the date of the submission of the request.

ARTICLE 14.17: TIME FRAMES

All time frames stipulated in this Chapter may be reduced, waived or extended by mutual agreement of the Parties.

ARTICLE 14.18: REMUNERATION AND EXPENSES

The remuneration and expenses of the Arbitral Tribunal shall be borne in equal parts by the Parties in accordance with Annex 14-A. All other expenses not specified in Annex 14-A shall be borne by the Party incurring those expenses.

ARTICLE 14.19: REQUEST FOR CLARIFICATION OF AN AWARD

1. Within ten (10) days after the issuance of an award, a Party may submit a written request to the Arbitral Tribunal for clarification of any determinations or recommendations in the award that the Party considers ambiguous. The Arbitral Tribunal shall respond to the request within ten (10) days after the presentation of such request.

2. The submission of a request pursuant to paragraph 1 shall not affect the time periods referred to in Article 14.15 and Article 14.16 unless the Arbitral Tribunal decides otherwise.

ARTICLE 14.20: LANGUAGE OF ARBITRAL PROCEEDINGS

1. All proceedings relating to the dispute settlement proceedings shall be conducted in the English language.

2. Any document submitted for use in any proceedings pursuant to this Chapter shall be in the English language. If any original document is not in the English language the Party submitting such document shall provide an English translation of that document.

ANNEX 14-A
RULES OF PROCEDURE
FOR ARBITRAL TRIBUNAL PROCEEDINGS

APPLICATION

1. The following rules of procedure are established under Article 14.13 and shall apply to Arbitral Tribunal proceedings under this Chapter unless the Parties otherwise agree.

DEFINITIONS

2. For purposes of this Annex:

adviser means a person retained by a Party to advise or assist that Party in connection with the Arbitral Tribunal proceeding;

Arbitral Tribunal means an Arbitral Tribunal established under Article 14.10;

arbitrator means a member of an Arbitral Tribunal established under Article 14.10;

assistant means a person who, under the terms of appointment of an arbitrator, conducts research or provides other professional or administrative support to any arbitrator;

Chapter means Chapter 14;

complaining Party means a Party that requests the establishment of an Arbitral Tribunal;

expert means an individual who provides information, technical advice or expert opinion sought by an Arbitral Tribunal;

holiday means every Friday, Saturday and Sunday and any other day designated by a Party as an official holiday;

Party complained against means a Party that receives the request for the establishment of an Arbitral Tribunal;

proceedings means an Arbitral Tribunal proceeding;

representative of a Party means an employee or any person appointed by a government department or agency or any other government entity of a Party; and

staff means persons under the direction and control of the arbitrator, or of the Arbitral Tribunal, other than assistants.

COMPOSITION OF THE ARBITRAL TRIBUNAL

3. Upon the selection of a candidate to serve as an arbitrator, the complaining Party shall promptly inform the candidate of the candidate's selection as an arbitrator. The candidate shall complete and submit to the Parties the Undertaking Form in Appendix 14-B-1 together with its written acceptance to serve on the Arbitral Tribunal within two (2) days after the candidate was informed of its selection. The date of the selection of the arbitrator shall be considered as the date upon which she/he submits the Undertaking Form and its written acceptance to the Parties. If the candidate fails to communicate its acceptance, within the said period, to the Parties, such candidate shall be deemed not to accept the selection.

4. Pursuant to the circumstances described in Article 14.11.3, a replacement to an arbitrator shall be selected as expeditiously as possible in accordance with the selection procedure under Article 14.11.1. Any time period applicable to the proceeding shall be suspended until the date the replacement is selected.

WRITTEN SUBMISSIONS AND OTHER DOCUMENTS

5. The Parties and the Arbitral Tribunal shall deliver any written submission, request, notification or other document by delivery against receipt, registered post, courier, facsimile transmission, e-mail or any other means of telecommunication that provides a record of the sending thereof. Where a Party or an Arbitral Tribunal delivers physical copies of written submissions or any other documents related to the Arbitral Tribunal proceeding, it shall deliver at the same time an electronic version of such submissions or documents.

6. The Parties shall deliver simultaneously a copy of their written submissions and any other document to the other Party and to each one of the arbitrators.

7. At any time a Party may correct minor errors of a clerical nature in any written submission, request, notification or other document related to the proceedings by delivery of a new document clearly indicating the changes.

8. Written submissions, requests, notifications or other documents of all types shall be deemed to be received, on the date upon which the electronic version of them is received.

9. The deadlines are counted from the day following the date of the receipt of such submission or documents .

10. When a term referred to in this Chapter or in this Annex begins or ends on a holiday observed by a Party or on any other day on which the government offices of that Party are closed by order of the government or by *force majeure*, it shall be regarded as having begun or ended on the next business day. The Parties shall exchange a list of dates of their official holidays for the following year on the first Monday of every December.

COMPUTATION OF TIME

11. When, as a result of the provisions of rule 10, the date of receipt of a document by each of the Parties may be different, any period of time that is calculated in relation to the receipt of this document, shall be computed from the last date of receipt of the document.

BURDEN OF PROOF

12. A Party asserting that a measure of the other Party is inconsistent with the provisions of this Agreement, or that the other Party has otherwise failed to fulfill its obligations under this Agreement, or that a benefit the Party could reasonably have expected to accrue to it under this Agreement is being nullified or impaired, shall have the burden of proving its assertions.

13. A Party asserting that a measure is subject to an exception under this Agreement shall have the burden of proving that the exception applies.

COMMENCING THE ARBITRATION

14. Unless the Parties agree otherwise, the Arbitral Tribunal within seven (7) days from its establishment shall contact the Parties in order to determine procedural matters that the Parties or the Arbitral Tribunal deem appropriate.

REASONED OBJECTION AGAINST AN ARBITRATOR

15. Where a Party raises a reasoned objection against an arbitrator or a chair regarding his or her compliance with the Code of Conduct, it shall send a written notice to the other Party providing its reasons based on clear evidence regarding the violation of the Code of Conduct.

16. The Parties shall consult on the matter and come to a conclusion within seven (7) days from receipt of such notice:

- (a) if the Parties agree, that there exists proof of a violation of the Code of Conduct, they shall remove that arbitrator or chair and select a replacement in accordance with Article 14.11.1;

- (b) if the Parties fail to agree that there exists proof of a violation of the Code of Conduct by an arbitrator, either Party may request the chair of the Arbitral Tribunal to consider and settle this matter. If the challenge is being raised against the chair of the Arbitral Tribunal, the matter shall be considered by the other two (2) arbitrators. If no agreement is reached between the two (2) arbitrators, the chair shall be removed. The decision adopted pursuant to this rule is definitive. The selection of the new arbitrator or chair shall be done in accordance with Article 14.11.

INITIAL SUBMISSIONS AND COUNTER-SUBMISSIONS

17. The complaining Party shall deliver its initial written submission to the Party complained against and to each of the arbitrators, no later than fifteen (15) days after the date of establishment of the Arbitral Tribunal.

18. The initial written submission shall contain the following:

- (a) designated authorized representative ;
- (b) service address, telephone and facsimile numbers, and e-mail addresses to which communications arising in the course of the proceeding shall be sent ;
- (c) summary of the relevant facts and circumstances ;
- (d) state clearly the Party's claim, including identification of the measures at issue ,the relevant provisions of this Agreement, an indication of the legal basis for the complaint, and a request for an award;
- (e) supporting evidence, including information, technical advice or expert opinion ,and specify any other evidence which cannot be produced at the time of the submission, but will be presented to the Arbitral Tribunal before or during the first hearing;
- (f) date and signature.

19. The Party complained against shall subsequently deliver its written counter-submission to the complaining Party and to each of the arbitrators, no later than thirty (30) days after the date of receipt of the initial written submission.

20. The counter-submission shall contain the following:

- (a) designated authorized representative;

- (b) service address, telephone and facsimile numbers and e-mail addresses to which communications arising in the course of the proceeding shall be sent;
- (c) facts and arguments upon which its defense is based;
- (d) supporting evidence, including information, technical advice or expert opinion, and specify any other evidence which cannot be produced at the time of the submission, but will be presented to the Arbitral Tribunal before or during the first hearing;
- (e) date and signature.

OPERATION OF ARBITRAL TRIBUNALS

21. The chair of the Arbitral Tribunal shall preside at all its meetings.
22. Unless provided otherwise in these rules, the Arbitral Tribunal may conduct its activities by any appropriate means, including technological means such as telephone, computer connections or video-conference, provided that the right of a Party to effectively participate in the proceedings is maintained.
23. The Arbitral Tribunal shall record minutes of the meetings held during each proceeding, which shall be kept in the files of the dispute.
24. Only arbitrators may take part in the deliberations of the Arbitral Tribunal. The Arbitral Tribunal may, in consultation with the Parties, permit, if necessary, assistants, interpreters, translators, or stenographers to be present during such deliberations.
25. The arbitrators and the persons employed by the Arbitral Tribunal shall keep the confidentiality of the deliberations of the Arbitral Tribunal and of any information protected in accordance to Article 14.13.1 (a) of the Chapter, paragraph 23 of Annex 14-B (Code of Conduct) and the rules of this Annex.
26. The Arbitral Tribunal in consultation with the Parties, may employ:
- (a) an assistant, interpreter, translator and stenographer as it requires to carry out functions; and
 - (b) an additional reasonable number of such persons as it deems necessary for the proceeding.

27. Where a procedural question arises that is not covered by these rules, the Arbitral Tribunal, after consulting the Parties, may adopt an appropriate procedure that is consistent with this Agreement.

28. The Arbitral Tribunal, upon mutual agreement of the Parties, may modify a time period applicable to the proceedings and make other procedural or administrative adjustments as may be required during the proceeding.

INFORMATION, TECHNICAL ADVICE AND EXPERT OPINIONS

29. On request of a Party, or on its own initiative, the Arbitral Tribunal may seek information, technical advice or expert opinions from any individual that it deems appropriate, subject to rules 30 to 36, and to such additional terms and conditions as the Parties may agree. The requirements set out in Article 14.9 shall apply to these experts, as appropriate.

30. Before the Arbitral Tribunal seeks information, technical advice or expert opinions, pursuant to rule 29, it shall notify the Parties of its intention to seek information, technical advice or expert opinions, provide them with an adequate period of time to submit comments, and take into consideration these comments.

31. In the notification mentioned in rule 30, the Arbitral Tribunal shall provide duly justified reasons for seeking information, technical advice or expert opinions and identify the individual or body from whom/which the information, technical advice or expert opinion is sought.

32. The Arbitral Tribunal shall only seek information, technical advice or expert opinions relating to the factual or legal issues before it.

33. The Arbitral Tribunal shall provide the Parties with a copy of any information, technical advice or expert opinion received under rule 30 and provide them with an adequate period of time to submit comments.

34. When the Arbitral Tribunal takes into consideration information, technical advice or expert opinions, received under rule 30 for the preparation of its award, it shall also take into consideration comments or observations submitted by the Parties with respect to such information, technical advice or expert opinion.

35. The Arbitral Tribunal shall set a reasonable time limit for the submission of the information, technical advice or expert opinions requested pursuant to rule 30, which shall not exceed forty five (45) days, unless otherwise agreed by the Parties.

36. When a request is made to seek information, technical advice or expert opinions under rule 30, an Arbitral Tribunal may suspend any time limit applicable to the

proceedings until the date the information, the technical advice or expert opinion is received by the Arbitral Tribunal.

CONFIDENTIALITY

37. All documentation, decisions and proceedings linked to the procedure established in the Chapter, as well as meetings, hearings, deliberations and sessions of the Arbitral Tribunal, shall be confidential, except for the award of the Arbitral Tribunal. Nevertheless, the award shall not include any information submitted by the Parties to the Arbitral Tribunal which any of them designates as confidential.

38. The Parties shall take all reasonable steps to ensure that their representatives, advisers and any person or body that has access to the proceedings on their behalf, maintain the confidentiality of all documentation, decisions and proceedings linked to the procedure established in this Chapter, as well as meetings, hearings, and sessions of the Arbitral Tribunal, except for the award of the Arbitral Tribunal .

39. Nothing in these Rules of Procedure shall preclude a Party from disclosing statements of its own positions to the public.

HEARINGS

40. Each Party shall have a right to at least one hearing before the Arbitral Tribunal. The Arbitral Tribunal may convene additional hearings if the Parties so agree.

41. Unless the Parties agree otherwise, the hearings shall take place in the territory of the Party complained against. The Party in whose territory the proceedings take place shall be in charge of the logistical administration of the proceedings, including the venue, the assistance of interpreters and other staff necessary, unless otherwise agreed by the Parties.

42. The chair shall fix the date and time of the hearings in consultation with the Parties and the other arbitrators, and then notify the Parties in writing of those dates and times, no later than fifteen (15) days prior to the hearings.

43. All arbitrators shall be present during the entirety of all hearings.

44. Hearings, deliberations, sessions and meetings of the Arbitral Tribunal shall be held in closed sessions. Nevertheless, the following persons may attend the hearings:

- (a) representatives;
- (b) advisers ;
- (c) staff and translators ;
- (d) assistants; and

- (e) court stenographers .

Only the representatives and advisers may address the Arbitral Tribunal.

45. No later than five (5) days before the date of a hearing, each Party shall deliver a list of the names of those persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.

46. Each hearing shall be conducted by the Arbitral Tribunal in a manner that ensures that the complaining Party and the Party complained against are afforded equal time for arguments, rebuttals and counter-rebuttals.

47. The Arbitral Tribunal may direct questions to either Party at any time during the hearing.

48. The Arbitral Tribunal shall arrange for a transcript of each hearing to be prepared and shall, as soon as possible, deliver a copy to each Party.

49. Each Party may deliver a supplementary written submission concerning any matter that arose during the hearing within ten (10) days from the date of the conclusion of the hearing.

EVIDENCE

50. The Parties shall provide all evidence as soon as possible, and preferably with the initial submission and the counter-submission, but no later than during the course of the first hearing, except with respect to evidence related to rebuttals, answers to questions and comments on answers provided by the other Party. Exceptions to this procedure shall be granted upon a showing of good cause. In such cases, the other Party shall be granted a period of time for comment, as the Arbitral Tribunal deems appropriate, on newly submitted evidence.

51. All the evidence submitted by the Parties shall be kept in the files of the dispute to be maintained by the chair of the Arbitral Tribunal.

52. In case the Parties so request, the Arbitral Tribunal shall hear witnesses or experts, in the presence of the Parties, during the hearings.

QUESTIONS IN WRITING

53. The Arbitral Tribunal may at any time during the proceedings address questions in writing to one or both Parties and set a time-limit for submission of the responses. The Parties shall receive a copy of any question put by the Arbitral Tribunal.

54. A Party shall submit its response to the Arbitral Tribunal in writing and shall provide a copy of its response to the other Party. A Party shall be given the opportunity to provide written comments on the other Party's response within ten (10) days after the date of receipt thereof.

55. Whenever a Party fails to submit in due time its initial written submission, is absent from a scheduled hearing or in any other way breaches the procedures without good and sufficient cause, the Arbitral Tribunal shall, upon assessment of the aforesaid circumstances, decide on their effect on the future course of the proceedings.

ARBITRAL AWARD

56. The arbitral award shall contain the following details, in addition to the elements provided in Article 14.13.5 and any other element as the Arbitral Tribunal may consider appropriate:

- (a) the Parties to the dispute;
- (b) the name of each of the arbitrators and the date of establishment of the Arbitral Tribunal;
- (c) the names of the representatives of the Parties;
- (d) the measures subject to the proceedings;
- (e) a report on the development of the arbitration procedure, including a summary of the arguments of each of the Parties;
- (f) the decision reached, indicating its factual and legal grounds;
- (g) the date and place of issuance;
- (h) the signature of all the arbitrators.

“EX PARTE” CONTACTS

57. The Arbitral Tribunal shall not meet or contact a Party in the absence of the other Party.

An arbitrator shall not discuss any aspect of the subject matter of the proceeding with the Parties in the absence of the other Party.

LANGUAGE

58. All proceedings shall be conducted in the English language.

59. Any document submitted for use in any proceedings shall be in the English language. If any original document is not in the English language, the Party submitting such document shall provide an English translation thereof.

COMPLIANCE AND SUSPENSION OF BENEFITS

60. These rules shall apply to proceedings established under Article 14.16 except for the following:

- (a) the Party that requests the establishment of the Arbitral Tribunal shall deliver its initial written submission to the other Party and each of the arbitrators within five (5) days after the date of the establishment of the Arbitral Tribunal;
- (b) the responding Party shall deliver its written counter-submission within ten (10) days after the date of delivery of the initial written submission;
- (c) the Arbitral Tribunal shall fix the time limit for delivering any further written submissions; and
- (d) unless the Parties disagree, the Arbitral Tribunal may decide not to convene a hearing.

CASES OF URGENCY

61. Upon receipt of a request by a Party for an accelerated time period in cases of urgency pursuant to Article 14.13.8, the Arbitral Tribunal shall provide the other Party with the opportunity to comment and shall issue its decision on whether the accelerated time period will apply within ten (10) days from the day of this request.

62. In cases of urgency, referred to in Article 14.13.8, the Arbitral Tribunal shall, after consulting the Parties, modify the time-limits referred to in these rules as appropriate and shall notify the Parties of any such adjustments.

REMUNERATION AND PAYMENT OF EXPENSES

63. The remuneration of arbitrators, their assistants, and experts shall be determined by the Joint Committee.

64. Unless the Parties otherwise agree, the remuneration of the arbitrators and their assistants, the remuneration of the experts and their expenses, the expenses of the Arbitral Tribunal, including their travel and lodging expenses and all general expenses customarily incurred by the routine functioning of the Arbitral Tribunal, shall be borne in equal shares between the Parties.

65. Each arbitrator, assistant and expert shall keep a record and render a final account to the Parties of his or her time sheet and expenses and the chair of the Arbitral Tribunal shall keep a record and render a final account to the Parties of all general expenses.

ANNEX 14-B
CODE OF CONDUCT

DEFINITIONS

1. For the purposes of this Annex :

adviser means a person retained by a Party to advise or assist that Party in connection with the Arbitral Tribunal proceeding;

Arbitral Tribunal means an Arbitral Tribunal established under Article 14.10;

arbitrator means a member of an Arbitral Tribunal established under Article 14.10;

assistant means a person who, under the terms of appointment of an arbitrator, conducts research or provides other professional or administrative support to any arbitrator;

candidate means:

- (a) a person whose name appears in the list established pursuant to Article 14.8; or
- (b) a person who is under consideration for appointment as an arbitrator, conciliator, mediator, expert, or assistant;

Chapter means Chapter 14;

conciliator or **mediator** mean a person who conducts a conciliation or mediation, respectively, in accordance with Articles 14.5 and 14.6 of the Chapter;

expert means an individual who provides information, technical advice or expert opinion to an Arbitral Tribunal pursuant to rules 30 through 36 of Annex 14-A;

family members means:

- (a) the spouse of the arbitrator or candidate;
- (b) the following relatives of the arbitrator or candidate: parents, grandparents, great grandparents, children, grandchildren, great grandchildren, brothers, sisters, nephews, nieces, uncles, aunts, first cousins, great uncles and great aunts, or the spouse of such persons; and

- (c) the following relatives of the spouse of the arbitrator or candidate: parents, grandparents, brothers, sisters, children and grandchildren;

proceedings means an Arbitral Tribunal proceeding;

staff means persons under the direction and control of the arbitrator, or of the Arbitral Tribunal, other than assistants.

RESPONSIBILITIES OF ARBITRATORS AND CANDIDATES

2. An arbitrator shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests, shall observe high standards of conduct so that the integrity and impartiality of dispute settlement under this Agreement are preserved and shall take appropriate measures to ensure that assistants and experts comply with this Code of Conduct. A former arbitrator shall observe the duties established in this Annex, *mutatis mutandis*.

3. A candidate shall not accept appointment as an arbitrator unless the candidate is fully satisfied of his or her ability to comply with the requirements of this Code of Conduct.

4. An arbitrator shall select an expert or assistant only if they are fully satisfied with the ability of the expert or assistant to comply with the requirements of this Code of Conduct. The selected expert or assistant shall accept the selection only if they are fully satisfied of their ability to comply with these requirements.

DISCLOSURE OBLIGATIONS

5. Prior to confirmation of his or her appointment as an arbitrator under this Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters. The candidate shall disclose such interests, relationships and matters by completing and providing the Undertaking Form in Appendix 14-B-1 to the Joint Committee for consideration by the Parties.

6. Without limiting the generality of the obligation in paragraph 5, candidates shall disclose the following interests, relationships and matters:

- (a) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate:
 - (i) in the proceeding or in its outcome; and
 - (ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves an

issue that may be decided in the proceeding for which the candidate is under consideration;

- (b) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate's employer, partner, business associate or family member:
 - (i) in the proceeding or in its outcome; and
 - (ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;
- (c) any past or existing financial, business, professional, family or social relationship with a person or entity that has an interest in the proceeding, or the Party's counsel, representative or adviser, or any such relationship involving a candidate's employer, partner, business associate or family member; and
- (d) public advocacy, including statements of personal opinion, or legal or other representation concerning an issue in dispute in the proceeding or involving the same type of goods, services, investments, or government procurement.

7. Once appointed, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships and matters referred to in paragraphs 5 and 6 and shall disclose them by communicating them in writing to the Joint Committee for consideration by the Parties. The obligation to disclose is a continuing duty, which requires an arbitrator to disclose any such interests, relationships and matters that may arise during any stage of the proceeding.

8. This Annex does not determine whether or under what circumstances the Parties will disqualify a candidate, or an arbitrator from being appointed to or serving as a member of an Arbitral Tribunal, on the basis of disclosures made.

PERFORMANCE OF DUTIES BY ARBITRATORS

9. In addition to this Annex, an arbitrator shall comply with the provisions of the Chapter and Annex 14-A.

10. Upon selection, an arbitrator shall perform his or her duties thoroughly and expeditiously throughout the course of the proceeding with fairness and diligence.

11. An arbitrator shall consider only those issues raised in the proceeding and necessary to rendering an award or a decision and shall not delegate any of his or her duties to any other person.

12. An arbitrator shall take all appropriate steps to ensure that his or her assistants and staff are aware of, and comply with this Annex, *mutatis mutandis*.

13. An arbitrator shall not engage in *ex parte* communications concerning the proceeding.

14. An arbitrator shall not communicate matters concerning actual or potential violations of this Annex unless the communication is to both Parties or is necessary to ascertain from a third party whether that arbitrator has violated or may violate this Annex.

INDEPENDENCE AND IMPARTIALITY OF ARBITRATORS

15. An arbitrator shall be independent and impartial. An arbitrator shall act in a fair manner and shall avoid creating an appearance of impropriety or bias.

16. An arbitrator shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party or fear of criticism.

17. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that might in any way interfere, or appear to interfere, with the proper performance of the arbitrator's duties.

18. An arbitrator shall not use his or her involvement in the proceeding to advance any personal or private interests. An arbitrator shall avoid conduct that may create the impression that others are in a special position to influence him or her.

19. An arbitrator shall not allow past or existing financial, business, professional, family or social relationships to influence his or her conduct or judgment.

20. An arbitrator shall avoid entering into any relationship, including a financial, business, professional or personal relationship, that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

21. An arbitrator shall exercise his or her position without accepting or seeking instructions from any international, governmental or non-governmental organization or any private source, and shall not have been involved in any previous stage of the dispute assigned to him or her, unless otherwise agreed by the Parties.

22. An arbitrator or former arbitrator shall avoid actions that may create the appearance that he or she was biased in carrying out his or her duties or would benefit from the award or decision of the Arbitral Tribunal.

MAINTENANCE OF CONFIDENTIALITY

23. A candidate, arbitrator or former arbitrator shall not at any time:

- (a) disclose or use information not in the public domain concerning the proceedings, or acquired during the proceedings, except for the purposes of the proceeding or except as required by law;
- (b) disclose Arbitral Tribunal awards or decisions or parts thereof prior to their publication in accordance with Article 14.13.10;
- (c) make a public statement about the proceeding; or
- (d) disclose the issues in dispute, the deliberations of the Arbitral Tribunal, or an arbitrator's view.

24. In case the disclosure referred to in paragraph 23(a) is required by law, the candidate, arbitrator or former arbitrator shall provide sufficient advance notice to the Parties and the disclosure shall not be broader than necessary to satisfy the legitimate purpose of the disclosure. In any case, a candidate, arbitrator, or former arbitrator shall not disclose or use any such information not in the public domain to gain personal advantage or advantage for others or to affect adversely the interest of others.

MEDIATORS, CONCILIATORS, ASSISTANTS, EXPERTS AND STAFF

25. The provisions included in this Annex as applying to arbitrators shall apply, *mutatis mutandis*, to assistants and experts.

26. In the event of recourse to Article 14.5 (Conciliation) and Article 14.6 (Mediation), the Parties will determine which provisions of this Code of Conduct shall apply.

27. The provisions included in paragraphs 14, 23, 24 and 25 of this Annex shall apply to staff.

APPENDIX 14-B-1

UNDERTAKING

In the Matter of Proceeding (title)

I have read the Code of Conduct for Dispute Settlement Procedures for the Free Trade Agreement between the State of Israel and the Republic of Panama and affirm that I comply with the standards set out in that Code of Conduct.

To the best of my knowledge there is no reason why I should not accept appointment as an arbitrator/assistant/expert in this proceeding.

The following matters could potentially be considered to affect my independence or impartiality, or might create an appearance of impropriety or an apprehension of bias in the proceeding:

Set out the details of any interests covered by paragraph 5 of Annex 14-B (Code of Conduct), and in particular all relevant information covered by paragraph 6 of Annex 14-B (Code of Conduct).

I recognize that, once appointed, I have a continuing duty to uphold all obligations specified in this Code of Conduct including to make all reasonable efforts to become aware of any interest, relationship, or matter referred to in this Code of Conduct that may arise during any stage of the proceeding. I will disclose in writing any applicable interest, relationship, or matter to the Parties as soon as I become aware of it.

Signature

Name

Date

CHAPTER 15 TRANSPARENCY

ARTICLE 15.1: PUBLICATION

Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application respecting any matter covered by this Agreement are promptly published or, where publication is not practicable, made available in such a manner as to enable interested persons and the other Party to become acquainted with them.

ARTICLE 15.2: NOTIFICATION AND PROVISION OF INFORMATION

1. To the extent possible, each Party shall notify the other Party of any actual measure that the Party considers might materially affect the operation of this Agreement or otherwise substantially affect that other Party's interests under this Agreement. This obligation will be considered accomplished in the cases where the Party already follows the procedures of notification and provision of information established under the *WTO Agreements*.

2. On request of the other Party, a Party shall promptly provide information and respond to questions pertaining to any actual measure, whether or not the other Party has been previously notified of that measure.

3. Any notification or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.

ARTICLE 15.3: REVIEW AND APPEAL

1. Each Party shall establish or maintain judicial, quasi-judicial or administrative tribunals or procedures which provide for the prompt review and, where warranted, appropriate remedies for correction of final administrative decisions affecting matters covered by this Agreement. Each Party shall ensure that its respective tribunals are impartial and independent of the office or authority entrusted with administrative enforcement and do not have a substantial interest in the outcome of the matter.

2. Each Party shall ensure that the parties to the proceeding, in regard to the tribunals or procedures referred to in paragraph 1, have the right to:

- (a) a reasonable opportunity to support or defend their respective positions; and
- (b) a reasoned decision based on the evidence and submissions of record or the record compiled by the administrative authority, when this is required by the law of the Party.

3. Each Party shall ensure that the decisions described in paragraph 2(b) are implemented by, and govern the practice of, the offices or authorities with respect to the

administrative action on this issue. If such decisions are subject to appeal or review as provided in the law of the Party, the Party may wait for the conclusion of the appeal before ensuring the aforementioned implementation and governance.

CHAPTER 16 EXCEPTIONS

ARTICLE 16.1: DEFINITIONS

For purposes of this Chapter:

tax convention means a convention for the avoidance of double taxation or other international taxation agreement or arrangement; and

tax and taxation measures do not include:

- (a) a customs duty as defined in Article 1.1 (Definitions of General Application); or
- (b) a measure listed in exceptions (b) and (c) in the definition of customs duty in Article 1.1 (Definitions of General Application).

ARTICLE 16.2: GENERAL EXCEPTIONS

1. For the purposes of this Agreement Article XX of GATT 1994 are incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XX(b) of the GATT 1994 include environmental measures necessary to protect human, animal, or plant life or health, and that Article XX(g) of *GATT 1994* applies to measures relating to the conservation of living and non-living exhaustible natural resources.

2. Notwithstanding paragraph 1, for purposes of Chapters 8 (Investment) and 9 (Trade in Services), Article XIV of the GATS is incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XIV (b) of the *GATS* include environmental measures necessary to protect human, animal, or plant life or health. The Parties understand that the measures referred to in Article XIV (a) of *GATS* include measures aimed at maintaining internal public order.

ARTICLE 16.3: SECURITY EXCEPTIONS

Nothing in this Agreement shall be construed to:

- (a) require a Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or
- (b) preclude a Party from applying measures that it considers necessary for the fulfillment of its obligations under the *United Nations Charter* with respect to the maintenance or restoration of international peace or security, or for the protection of its own essential security interests, or in order to carry out obligations it has accepted for the purpose of maintaining international security.

ARTICLE 16.4: TAXATION

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.
2. Nothing in this Agreement shall affect the rights and obligations of a Party under any tax convention. In the event of an inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.
3. Notwithstanding paragraph 2:
 - (a) Article 2.3 (National Treatment) shall apply to taxation measures to the same extent as does Article III of the GATT 1994 and its Interpretative Notes;
 - (b) Article 2.12 (Duties on Export) shall apply to taxation measures.
4. Subject to paragraph 2, Article 9.5 (National Treatment) shall apply to taxation measures to the same extent as does Article XVII of the *GATS*;
5. Subject to paragraph 2, Article 9.3 (Most Favored Nation Treatment) shall apply to taxation measures to the same extent as does Article II of the *GATS*.

ARTICLE 16.5: LIMITATIONS ON IMPORTS

The limitation on the importation of non-kosher meat to Israel shall not be considered as a measure in violation of this Agreement.

ARTICLE 16.6: DISCLOSURE OF INFORMATION

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information the disclosure of which would impede law enforcement, or otherwise be contrary to public interest, or which would prejudice the legitimate commercial interests of individuals or of particular enterprises, public or private.

CHAPTER 17 FINAL PROVISIONS

ARTICLE 17.1: ANNEXES, APPENDICES AND FOOTNOTES

The Annexes, Appendices and Footnotes to this Agreement and to its Chapters constitute an integral part of this Agreement.

ARTICLE 17.2: AMENDMENTS

1. The Parties may agree upon any amendments to this Agreement in writing.
2. Amendments to this Agreement shall enter into force and constitute an integral part of this Agreement in accordance with the procedures set forth in Article 17.3.

ARTICLE 17.3: ENTRY INTO FORCE

This Agreement shall enter into force sixty (60) days following the date of the latter Diplomatic Note by which the Parties notify each other that their internal legal procedures for the entry into force of the Agreement have been completed or any other period as the Parties may agree.

ARTICLE 17.4: DURATION AND TERMINATION

1. This Agreement shall be valid for an indefinite period.
2. Any Party may terminate this Agreement by means of a written Diplomatic Note to the other Party. Such termination shall become effective six (6) months after the date of receipt of such notification by the other Party.

ARTICLE 17.5: MODIFICATIONS TO THE WTO AGREEMENT

The Parties understand that any provision of the *WTO Agreement* incorporated into this Agreement, is incorporated with any amendments to which both Parties are party and which have entered into force at the time such provision is applied.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done in Jerusalem, on May 17, 2018, which corresponds to the 3rd day of Sivan in the year 5,778 in the Hebrew calendar, in three (3) original copies, each in the Hebrew,

Spanish and English languages, all texts being equally authentic. In case of divergence of interpretation or any discrepancies, the English text shall prevail.

**For the Government of the
State of Israel**

**For the Government of the
Republic of Panama**