

No. 27176

**FRANCE
and
ISRAEL**

**Agreement on trade and finance (with annexes). Signed at
Paris on 10 July 1953**

Authentic text: French.

Registered by France on 26 March 1990.

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et
ISRAËL**

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Enregistré par la France le 26 mars 1990.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON TRADE AND FINANCE BETWEEN FRANCE
AND THE STATE OF ISRAEL SIGNED IN PARIS ON 10 JULY
1953

The Government of the French Republic and the Government of the State of Israel, desiring to develop their economic relations to the extent possible, have agreed as follows:

TITLE I. TRADE PROVISIONS

Article 1

During the period of application of this Agreement, the French authorities shall authorize the import of the Israeli products listed in annex II.

For their part, the Israeli authorities shall undertake to accord to goods on the Israeli market originating in the franc area treatment as favourable as that accorded to goods of the same kind originating elsewhere, with the exception of those goods imported under the special conditions referred to in letter No. 1 annexed hereto.

TITLE II. FINANCIAL PROVISIONS

Section I. PAYMENTS BETWEEN THE FRANC AREA AND THE STATE OF ISRAEL

In order to facilitate payments between the franc area and the State of Israel, the French Government and the Government of Israel have agreed as follows:

Article 1

(a) An account in francs shall be opened at the Bank of France in the name of the Bank Leumi Le Israel.

The following shall be credited to that account:

- The payments provided for in title II made by residents of the franc area to Israeli residents;
- The capital transfers provided for in title III;
- Earnings from the transfer by the Bank Leumi Le Israel to the Bank of France of United States dollars or any other currencies agreed upon by the two establishments on the basis of the exchange rates prevailing on the Paris foreign exchange market on the date of the transaction.

The following shall be debited to that account:

- The payments provided for in title II made by Israeli residents to residents of the franc area;
- The capital transfers provided for in title III.

¹ Came into force on 10 July 1953 by signature in accordance with article 3 of Title III.

(b) The account may also be freely credited or debited from any accounts held with registered French banks by the Bank Leumi Le Israel or by registered Israeli banks.

Article 2

If the reference rate of the United States dollar in Paris is adjusted, the balance of the account referred to in article 1 above shall be adjusted accordingly by the Bank of France.

The Bank of France shall notify the Bank Leumi Le Israel of the conditions under which the reference rate of the United States dollar in Paris is established and may be adjusted.

Article 3

On the expiry of this Agreement, any remaining balance in the account referred to in article 1 may, at the request of the Bank Leumi Le Israel, be converted by the Bank of France into United States dollars or any other currency agreed upon by the two establishments, on the basis of the exchange rates prevailing on the Paris foreign exchange market on the date of the transaction.

Article 4

The Bank of France and the Bank Leumi Le Israel shall establish the procedures for the implementation of this Agreement.

Section II. LIST OF ROUTINE AND NORMAL PAYMENTS

The competent authorities in each country shall grant the authorizations necessary to ensure that the payments relating to the transactions listed below may be made under the terms of this Agreement.

- Payments resulting from the shipment of goods from one country to the other;
- Harbour service charges, warehousing and storage charges, customs clearance, customs charges and all additional costs for goods traffic, harbour dues and dock fees;
- Charges and profits deriving from transit trade;
- Commission and brokerage fees, advertising and entertainment expenses, shipping agents' fees;
- Processing, machining and assembly costs, and costs for allocation of contract work and other services of all kinds;
- Expenditure relating to the repair and refuelling of ships;
- Insurance and reinsurance (premiums and payments);
- Expenses of all kinds relating to transfers of goods and persons by land, inland waterway or sea undertaken by one of the Contracting Parties on behalf of the other, as well as transport rental costs;
- Expenses of all kinds relating to the shipment of goods by air by one of the Contracting Parties on behalf of the other, as well as transport rental costs;
- Wages, salaries and fees, social insurance contributions and allowances, pensions and annuities arising from labour or employment contracts or the rental of services, or equivalent to a public debt;

- Operating rights and dues and trade marks, copyright fees, rental fees for copies of cinematographic works and sundry expenses under the cinematographic agreements between France and Israel;
- Taxes, fines and legal expenses;
- Periodic payment of postal, telegraphic and telephone services and public transport companies;
- Expenses relating to travel, study, hospitalization, subsistence and living allowances;
- Maintenance of diplomatic and consular posts and official missions;
- Interest and dividends, shares and profits from companies with share capital or partnerships, mortgage interest or property holdings, rent, company operating profits, pensions and annuities from life insurance policies and any other regular earnings from capital;
- Contractual amortization and repayment of short- and medium-term loans granted for the financing of commercial and industrial operations;
- All other payments which, by their nature, may be considered equivalent to those described above.

Section III. CAPITAL TRANSFER FACILITIES

Article 1

Within the limits specified in article 4 below, any emigrant who is the head of a household and wishes to leave the franc area definitively in order to settle in Israel shall be authorized to transfer from the franc area to Israel all or part of his assets, either by means of a bank transfer or by exporting goods from the franc area, in accordance with the French regulations in force, up to a total amount of one million francs, provided that:

- (a) He has submitted a request to that effect, together with a declaration of assets certified as valid by the French Exchange Office prior to his departure from the franc area;
- (b) On his arrival in Israel, the Israeli authorities issued to him a certificate of residence authenticated by a French consul.

Article 2

In calculating the amount of one million francs referred to in article 1, any personal effects, furniture and equipment which have already served for the personal use of the emigrants, and which are in keeping with their social status and are taken with them at the time of their departure from the franc area, within the limits usually applied by the French customs authorities, shall not be taken into account.

Article 3

Requests for transfers from the franc area to Israel which are submitted to the French Government by Jewish institutions and endorsed by the Israeli Ambassador to France shall be given favourable consideration by the French Government and may be authorized within the limits specified in article 4 below, on the understanding that the transfers in question may involve only funds obtained in the franc area the origin of which has been certified by the Israeli Ambassador.

Article 4

The transfers referred to in articles 1 and 3 above shall be authorized only up to a level of 15 per cent of the total value of exports from the franc area to Israel, established on the basis of the customs statistics compiled by the French Government.

Article 5

I. Every six months, the Franco-Israeli Joint Commission referred to in title III of this agreement shall establish:

- The volume of exports from the franc area to Israel, as recorded in French customs statistics for the previous six-month period;
- The volume of the financial transfers approved by France during the same period, with regard to both the individual transfers referred to in article 1 of this annex and the collective transfers referred to in article 3 thereof.

Section IV. PROVISIONS GOVERNING INVESTMENTS AND STATE CREDIT INSURANCE

Article 1

The French Government shall give favourable consideration to investment projects in Israel which are submitted to the competent French authorities by individuals or bodies corporate resident or having their place of business in the franc area.

Article 2

The French Government is willing to grant short- and medium-term loans for exports when the nature of such exports so justifies and when the loans are considered to be in the interests of both the French and the Israeli authorities.

These facilities shall be granted within the limits allowed under the general regulations observed by the Commission on Guarantees and Foreign Trade Loans and under conditions similar to those applicable to French export programmes relating to exports to countries with which France has comparable economic and financial relations.

TITLE III. GENERAL PROVISIONS

Article 1

This Agreement shall apply to the State of Israel, on the one hand, and to the territories of the franc area specified in annex 1 to this Agreement, on the other.

Article 2

The High Contracting Parties shall appoint a Joint Commission to monitor the implementation of this Agreement. The Commission shall meet for the first time six months after the date of the entry into force of this Agreement or at another date to be determined subsequently at the request of either Party.

Article 3

This Agreement shall enter into force on the date of its signature and shall be valid for one year. It shall be automatically renewed for further periods of one year, unless one of the High Contracting Parties gives notice of denunciation at least three months before its expiry.

DONE at Paris, in duplicate, on 10 July 1953.

For the Government
of the French Republic:

[GEOFFROY DE COURCEL]

For the Government
of the State of Israel:

[MOSHE BARTOR]

ANNEX I

LIST OF TERRITORIES IN THE FRANC AREA

The franc area shall include the territories listed below. This list replaces the list contained in Notice No. [Illegible]

1. Metropolitan France (including Corsica)
 - The Principality of Monaco
 - The Saar territory
 - The French overseas departments of Algeria, Guadeloupe, Martinique, Guyana and Réunion
 - The Protectorates of Morocco and Tunisia
2. French West Africa
 - French Equatorial Africa
 - The Trust Territories of Cameroon and Togo
 - Madagascar and its dependencies
 - Comoros
 - Saint-Pierre and Miquelon
3. French settlements in India
4. The Associate States of Cambodia, Laos and Viet Nam
5. New Caledonia and dependencies
 - French settlements in Oceania
 - The Condominium of the New Hebrides

ANNEX II

Citrus fruits	10,000 tons	{ oranges 6,000 tons ⁽¹⁾ grapefruit 4,000 tons
Concentrates and by-products of citrus fruits with the exception of orange juice:	£ 25,000	
Canned fruit (grapefruit segments in syrup, Barbary figs, mangoes, other subtropical fruit and vegetable species):	£ 15,000	
Essential oils	£ 30,000 ⁽²⁾	
False teeth	£ 20,000	
Diamonds cut for jewellery trade or industry	£ 80,000	
Fabrics, clothing and underwear of all kinds	£ 30,000	
Unprocessed furs	£ 100,000	
Dressed furs, in the form of hide, or sewn pieces; waste and unsewn scraps	£ 20,000	
Footwear	£ 30,000	
Second-hand clothing (North Africa)	£ 100,000	
Fresh goose foie gras	£ 100,000	
Tobacco	p.m.	
Automobiles (saloon cars)	£ 450,000 ⁽³⁾	
Miscellaneous	£ 150,000	

⁽¹⁾ Including a maximum of 2,000 Jaffa oranges between 15 January and 15 March.

⁽²⁾ To be imported under the "EXIM" procedure.

⁽³⁾ To be imported under the compensation procedure in exchange for automobile equipment.