

No. 45201*

**Turkey
and
Israel**

Agreement establishing a free trade area between the Republic of Turkey and the State of Israel (with annexes and protocols). Jerusalem, 14 March 1996

Entry into force: *1 March 1997 by the exchange of instruments of ratification, in accordance with article 38*

Authentic texts: *English*

Registration with the Secretariat of the United Nations: *Turkey, 21 August 2008*

Note: *See also annex A, No. 45201.*

**Turquie
et
Israël**

Accord portant création d'une zone de libre échange entre la République turque et l'État d'Israël (avec annexes et protocoles). Jérusalem, 14 mars 1996

Entrée en vigueur : *1er mars 1997 par échange des instruments de ratification, conformément à l'article 38*

Textes authentiques : *anglais*

Enregistrement auprès du Secrétariat des Nations Unies : *Turquie, 21 août 2008*

Note : *Voir aussi annexe A, No. 45201.*

* *The text reproduced below is the original text of the agreement as submitted. For ease of reference, it was sequentially paginated. The relevant Treaty Series volume will be published in due course.*

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[ENGLISH TEXT – TEXTE ANGLAIS]

**AGREEMENT
ESTABLISHING A FREE TRADE AREA
BETWEEN
THE REPUBLIC OF TURKEY
AND
THE STATE OF ISRAEL**

PREAMBLE

THE REPUBLIC OF TURKEY
(hereinafter referred to as "Turkey") on the one part, and

THE STATE OF ISRAEL
(hereinafter referred to as "Israel") on the other part,

RECALLING their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to cooperate in seeking ways and means to strengthen this process;

HAVING regard to the Agreement Establishing an Association between Turkey and the European Economic Community and the Euro-Mediterranean Agreement Establishing an Association between the European Communities and the State of Israel, as well as to Turkey's and Israel's Free Trade Agreements with EFTA States;

HAVING regard to the experience gained from the co-operation developed between the Parties as well as between them and their main trading partners;

DECLARING their willingness to take action with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in the fields of common interest, including fields not covered by this Agreement, thus creating a framework and supportive environment based on equality, non-discrimination, and a balance of rights and obligations,

RECALLING the mutual interest of Turkey and Israel in the continual reinforcement of the multilateral trading system and considering their capacity as Contracting Parties to GATT/WTO, the provisions and instruments of which constitute a basis for their foreign trade policy;

RESOLVED to lay down for this purpose provisions aimed at the progressive abolition of the obstacles to trade between Turkey and Israel in accordance with the provisions of these instruments, in particular those concerning the establishment of free trade areas;

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

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

ARTICLE 1

Objectives

1. Turkey and Israel shall gradually establish, during a transitional period ending at the latest January 1, 2000, a free trade area in accordance with the provisions of this Agreement and in conformity with those of the GATT 1994 and of other multilateral agreements on trade in goods annexed to the Agreement establishing the WTO, hereinafter referred to as the "GATT".
2. The objectives of this Agreement are:
 - a) to promote, through the expansion of reciprocal trade in goods and services, the harmonious development of the economic relations between Turkey and Israel;
 - b) to provide fair conditions of competition for trade between Turkey and Israel;
 - c) to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of world trade;
 - d) to enhance co-operation between Turkey and Israel.

ARTICLE 2

Basic Duties

1. For commercial exchanges covered by this Agreement, the Israel Customs Tariffs shall be applied to the classification of goods for imports to Israel. The Turkish Customs Tariffs shall be applied to the classification of goods for imports into Turkey.
2. For each product listed in Chapter I of this Agreement the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the MFN duties that are applied erga omnes on the date of the entry into force of the Agreement.
3. If after entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions resulting from the tariff agreement concluded as a result of the GATT Uruguay Round and Turkey-EC Customs Union, such reduced duties shall replace the basic duties referred to in paragraph 2 as from that date when such reductions are applied, unless otherwise agreed in this Agreement, its Protocols and Annexes.
4. Turkey and Israel shall communicate each other their respective basic duties.

CHAPTER 1
INDUSTRIAL PRODUCTS

ARTICLE 3

Scope

The provisions of this Chapter shall apply to products originating in Turkey and Israel listed in Chapters 25 to 97 of the Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I.

ARTICLE 4

Customs Duties on Imports and Charges Having Equivalent Effect

1. No new customs duties on imports or charges having equivalent effect shall be introduced, nor shall those already applied be increased, in trade between Turkey and Israel from the date of entry into force of this Agreement.
2. Customs duties on imports applicable in Israel to products originating in Turkey which are not listed in Annex II, Annex III and Annex VIII shall be abolished on the entry into force of the Agreement.
3. Customs duties on imports applicable in Israel to products originating in Turkey which are listed in Annex II shall be gradually abolished in accordance with the timetable provided in that Annex and abolished on January 1, 2000 at the latest.
4. Customs duties on imports applicable in Israel to products originating in Turkey which are listed in Annex III shall be gradually abolished in accordance with the following timetable:
 - upon the entry into force of the Agreement each duty shall be reduced to 2/3 of the basic duty,
 - on January 1, 1998 to 1/3 of the basic duty,
 - on January 1, 1999 the remaining duties shall be eliminated.
5. Customs duties on imports applicable in Turkey to products originating in Israel other than those products listed in Annex IV, Annex V, Annex VIa, Annex VIb, Annex VII and Annex VIII shall be abolished on the entry into force of this Agreement.

6. Customs duties on imports applicable in Turkey to products originating in Israel listed in **Annex IV** and **Annex V** shall be gradually abolished according to the following timetable:
 - upon the entry into force of the agreement to 75 % of the basic duty,
 - on January 1, 1998 to 50 % of the basic duty,
 - on January 1, 1999 to 25 % of the basic duty,
 - on January 1, 2000 the remaining duties shall be eliminated.
7. Customs duties on imports applicable in Turkey to products originating in Israel which are listed in **Annex VIa** and **VIb** shall be gradually reduced and abolished in accordance with the timetable provided in that Annex.
8. Customs duties on imports applicable in Turkey to products originating in Israel which are listed in **Annex VII** shall be gradually abolished:
 - upon the entry into force to 50 % of the basic duty,
 - on January 1, 1997 to 75 % of the basic duty,
 - on January 1, 1999 the remaining duties shall be eliminated.
9. Customs duties on imports applicable in a Party to products originating in the other Party which are listed in **Annex VIII** shall be gradually abolished:
 - upon the entry into force of the Agreement to 2/3 of the basic duty,
 - on 1.1.1998 the remaining duties shall be eliminated.

ARTICLE 5

Customs Duties of a Fiscal Nature

The provisions of Article 4 shall also apply to customs duties of a fiscal nature.

ARTICLE 6

Customs Duties on Exports and Charges Having Equivalent Effect

1. No new customs duty on exports or charges having equivalent effect shall be introduced in trade between Turkey and Israel.
2. Upon the entry into force of this Agreement, customs duties on exports and any charges having equivalent effect shall be abolished.

ARTICLE 7

Quantitative Restrictions on Imports and Exports and Measures Having Equivalent Effect

1. No new quantitative restrictions on imports and exports or measures having equivalent effect shall be introduced, nor shall those existing be made more restrictive, in trade between the Parties from the date of the entry into force of this Agreement.
2. For the purpose of this Agreement "quantitative restrictions and measures having equivalent effect" mean prohibitions or restrictions on imports or exports into Turkey from Israel or into Israel from Turkey made effective through quotas, import licenses or other administrative measures and requirements restricting trade.

CHAPTER II

AGRICULTURAL, PROCESSED AGRICULTURAL AND FISHERY PRODUCTS

ARTICLE 8

Scope

The provisions of this Chapter shall apply to agricultural, processed agricultural and fishery products originating in the Parties falling within Chapters 1-24 of the Harmonized Commodity Description and Coding System as well as the products listed in Annex I of this Agreement.

ARTICLE 9

Exchange of Concessions

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, the harmonious development of trade in agricultural products and to discuss this issue periodically in the Joint Committee.
2. In pursuance of this objective Protocol A providing for measures to facilitate trade in agricultural, processed agricultural and fishery products has been concluded between Turkey and Israel.

3. Turkey and Israel shall progressively establish a greater liberalization of their trade in agricultural products of interest to both Parties. Turkey and Israel agree to examine the possibility of granting each other further concessions within the framework of the Joint Committee.

ARTICLE 10

Sanitary and Phytosanitary Measures

1. The Parties shall apply the sanitary and phytosanitary measures in accordance with the provisions of the relevant Agreement of GATT.
2. The Parties shall not apply their regulations in veterinary, plant health and health matters as an arbitrary or unjustifiable discrimination between the Parties or a disguised restriction in the trade between them.

CHAPTER III

COMMON PROVISIONS

ARTICLE 11

Rules of Origin and Co-operation in Customs Administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.
2. The Parties shall take all appropriate measures, including arrangements regarding administrative co-operation, to ensure that the provisions of Article 4 to 7, 9, 15 and 18 and Protocol B are effectively and harmoniously applied, taking into account the need to reduce as far as possible the formalities imposed on trade and the need to achieve mutually satisfactory solutions to any difficulties arising out of the operation of those provisions.

ARTICLE 12

General Exceptions

Nothing in this Agreement shall preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants and of the environment; the protection of national treasures possessing artistic,

historic or archaeological value; or the protection of intellectual, industrial and commercial property, or rules concerning gold or silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Turkey and Israel.

ARTICLE 13

State Monopolies

1. The Parties shall progressively adjust any state monopolies of a commercial character, so as to ensure that, by the end of the second year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exist between nationals of Turkey and Israel.
2. The Joint Committee shall be informed about the measures adopted to implement this objective.

ARTICLE 14

Internal Taxation

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

ARTICLE 15

Dumping

If a Party to this Agreement finds that dumping is taking place in trade with the other Party, within the meaning of Article VI of the GATT, it may take appropriate measures against this practice in accordance with the Agreement on Implementation of Article VI of the GATT 1994 and with its relevant internal legislation, under the conditions and in accordance with the procedures laid down in Article 18.

ARTICLE 16

Emergency Action on Imports of Particular Products

Where any product is being imported in such increased quantities and under such conditions as to cause, or threaten to cause:

- a) serious injury to domestic producers of like or directly competitive products in the territory of one of the Parties, or
- b) serious disturbances in any sector of the economy, or
- c) difficulties which could bring about serious deterioration in the economic situation of a region,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 18.

ARTICLE 17

Re-export and Serious Shortage

Where compliance with the provisions of Articles 6 and 7 leads to:

- a) Re-export towards a third country against which the exporting Party maintains, for the product concerned, quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- b) a serious shortage, or threat thereof, of a product essential to the exporting Party,

and where the situations referred to above give rise, or are likely to give rise, to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 18. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

ARTICLE 18

Procedure for the Application of Safeguard Measures

In the event of Turkey or Israel subjects imports of products liable to give rise to the difficulties referred to in Article 16, to an administrative procedure, the purpose of which is to provide rapid information on the trend of trade flows, it shall inform the other Party.

2. In the cases specified in Articles 15, 16 and 17, before taking the measures provided for therein or, as soon as possible in cases to which paragraph 3 (d) applies, the Party in question shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of appropriate measures, priority shall be given to those which least disturb the functioning of the Agreement.

The safeguard measures shall be notified immediately to the Joint Committee and shall be the subject of periodical consultations within the Committee, particularly with a view to their abolition as soon as circumstances permit.

3. For the implementation of paragraph 2, the following provisions shall apply:

- a) as regards Article 15, the Joint Committee shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. If no end has been put to the dumping or no other satisfactory solution has been reached within thirty days of the notification being made, the importing Party may adopt the appropriate measures;

- b) as regards Article 16, the difficulties arising from the situation referred to in that Article shall be referred for examination to the Joint Committee, which may take any decision needed to put an end to such difficulties.

If the Joint Committee or the exporting Party has not taken a decision putting an end to the difficulties or no other satisfactory solution has been reached within thirty days of the matter being referred, the importing Party may adopt the appropriate measures to remedy the problem. These measures must not exceed the scope of what is necessary to remedy the difficulties which have arisen;

- c) as regards Article 17, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Joint Committee.

The Joint Committee may take any decision needed to put an end to the difficulties. If it has not taken such a decision within thirty days of the matter being referred to it, the exporting Party may apply appropriate measures on the exportation of the product concerned;

- d) Where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Party concerned may, in the situations specified in Articles 15, 16 and 17 apply forthwith such precautionary measures as are strictly necessary to remedy the situation, and shall inform the other Party immediately.

ARTICLE 19

Standards

1. The rights and obligations of the Parties relating to standards or technical regulations shall be governed by the WTO Agreements on Technical Barriers to Trade.
2. Each Party, upon the request of the other Party, shall provide information on particular cases of standard-related measures.
3. The Parties shall aim to reduce technical barriers to trade. To this end, the Parties shall conclude when appropriate agreements on mutual recognition in the field of conformity assessment.

CHAPTER IV

RIGHT OF ESTABLISHMENT AND SUPPLY OF SERVICES

ARTICLE 20

1. The Parties agree to widen the scope of the Agreement to cover the right of establishment of firms of one Party in the territory of the other Party and the liberalization of the provisions of services by one Party's firms to consumers of services in the other Party.
2. The Joint Committee shall make the necessary recommendations for the implementation of the objective described in paragraph 1.

In making such recommendations, the Joint Committee shall take account of past experience of implementation of the reciprocal most-favoured-nation treatment and of the obligations of each Party under the General Agreement on Trade in Services, hereinafter referred to as the 'GATS', particularly those in Article V of the later.

3. The Joint Committee shall make a first assessment of the achievement of this objective no later than three years after the Agreement enters into force.

ARTICLE 21

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

CHAPTER V

GENERAL, INSTITUTIONAL AND FINAL PROVISIONS

ARTICLE 22

Intellectual, Industrial and Commercial Property

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

ARTICLE 23

Payments

1. Payments in freely convertible currencies relating to commercial transactions between the Parties and the transfer of such payments to the territory of the State Party to this Agreement, where the creditor resides shall be free from any restrictions.

2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short-term and medium-term credits covering commercial transactions in which a resident participates.
3. Any measures concerning current payments connected with the movement of goods shall be in conformity with the conditions laid down under Article VIII of the Statutes of the International Monetary Fund.

ARTICLE 24

Public Procurement

1. The Parties to this Agreement consider the effective liberalization of their respective public procurement markets an integral objective of this Agreement
2. The Joint Committee will review progress in this area annually

ARTICLE 25

Competition

1. The following are incompatible with the proper functioning of the Agreement, insofar as they may affect trade between Turkey and Israel:
 - i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
 - ii) abuse by one or more undertakings of a dominant position in the territories of Turkey or Israel as a whole or in substantial part thereof;
 - iii) any state aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.
2. The Joint Committee shall, within three years of the entry into force of the Agreement, adopt by decision the necessary rules for the implementation of paragraph 1.

Until these rules are adopted, the provisions of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the GATT shall be applied as the rules for the implementation of paragraph 1 (iii).

3. Each Party shall ensure transparency in the area of state aid, inter alia by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of state aid.
4. With regard to agricultural products referred to in Chapter II, paragraph 1 (iii) does not apply.
5. If Turkey or Israel consider that a particular practice is incompatible with the terms of the first paragraph and:

- is not adequately dealt with under the implementing rules referred to in paragraph 2, or

- in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry,

it may take appropriate measures after consultation within the Joint Committee or after thirty working days following referral for such consultation.

With reference to practices incompatible with paragraph 1 (iii), such appropriate measures, when the GATT is applicable to them, may only be adopted in accordance with the procedures and under the conditions laid down by the GATT or by any other relevant instrument negotiated under its auspices and applicable to the Parties.

6. Notwithstanding any provision to the contrary adopted in accordance with paragraph 2, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

ARTICLE 26

Balance of Payments Difficulties

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

ARTICLE 27

Establishment of the Joint Committee

1. A Joint Committee is hereby established in which each Party shall be represented. The Joint Committee shall be responsible for the administration of this Agreement and shall ensure its proper implementation.
2. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between Turkey and Israel.
3. The Joint Committee may, in accordance with the provisions of paragraph 3 of Article 28, take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

ARTICLE 28

Procedures of the Joint Committee

1. For the proper implementation of this Agreement, the Joint Committee shall meet at an appropriate level whenever necessary but at least once a year. Either Party to this Agreement may request a meeting be held.
2. The Joint Committee shall act by common agreement.
3. If a representative of a Party in the Joint Committee has accepted a decision subject to the fulfilment of constitutional requirements the decision shall enter into force, if no later date is contained therein, on the date of the receipt of written notification as to the fulfilment of such requirements.
4. The Joint Committee shall adopt its rules of procedure which shall, inter alia, contain provisions for convening meetings and for the designation of the Chairman and his term of office.
5. The Joint Committee may decide to set up such sub-committees and working parties as it considers necessary to assist it in accomplishing its tasks.

ARTICLE 29

Fulfillment of Obligations

1. The Parties shall take any general or specific measure required to fulfill their obligations under the Agreement. They shall see to it that the objectives set out in the Agreement are attained.
2. If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority shall be given to those which least disturb the functioning of the Agreement.

These measures shall be notified immediately to the Joint Committee and shall be the subject of consultations within the Joint Committee if the other Party so requests.

ARTICLE 30

Settlement of Disputes

1. Each Party may refer to the Joint Committee any dispute relating to the application or interpretation of this Agreement.
2. The Joint Committee may settle the dispute by means of a decision.
3. Each Party shall be bound to take the measures involved in carrying out the decisions referred to in Paragraph 2.
4. If a dispute referred to the Joint Committee has not been resolved within a period of sixty days after the dispute was referred to it or within such longer period as the Joint Committee has agreed upon, each Party may notify the other of the appointment of an arbitrator within forty five days.
5. The two appointed arbitrators shall nominate by a common agreement within two months a third umpire arbitrator who shall not be a national of either Party and who will serve as chairman.
6. The arbitrators' decision shall be taken by a majority vote within ninety days.
7. Each Party shall be bound to take the steps required to implement the decision of the arbitrators.

ARTICLE 31

Security Exceptions

Nothing in this Agreement shall prevent a Party from taking any measures:

- a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or other serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

ARTICLE 32

Evolutionary Clause

1. Where either Party considers that it would be useful in the interest of the economies of the Parties to this Agreement to develop the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.
2. Agreements resulting from the procedure in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their own procedures.

ARTICLE 33

Amendments

Amendments to this Agreement other than those referred to in paragraph 3 of Article 27, which are approved by the Joint Committee shall be submitted to the Parties for acceptance and shall enter into force under the same procedure of the entry into force of the Agreement.

ARTICLE 34

Protocols and Annexes

Protocols A and Protocol B, and Annexes I to IX of this Agreement and Joint Declarations related to provisions and implementation of this Agreement shall form an integral part of the Agreement. The Joint Committee may decide to amend the Protocols and Annexes.

ARTICLE 35

Trade Relations Governed by other Agreements

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade, except insofar as they alter the trade arrangements provided for in the Agreement.
2. Consultations between the Parties shall take place within the Joint Committee concerning agreements establishing customs unions or free trade areas and, where required, on other major issues related to their respective trade policy with third countries.

ARTICLE 36

Territorial Application

This Agreement shall apply to the customs territories and free trade zones of the Parties.

ARTICLE 37

Expiration

The Agreement is concluded for an unlimited period

Each Party may denounce this Agreement by written notification to the other Party through the diplomatic channels . This Agreement shall cease to apply six months from the date of such notification.

ARTICLE 38

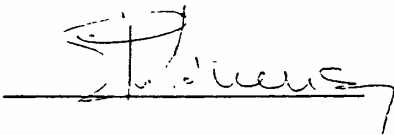
Entry into force

This Agreement shall enter into force from the date of the exchange of instruments of ratification.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed the present Agreement.

DONE at Brussels, this 14 day of March 1996 which corresponds to the 23 Adet 5776 in the Turkish, Hebrew and English languages, all three texts being equally authentic.

In the case of the divergence of interpretation the English text shall prevail.



For the Republic of Turkey



**For the Government of
the State of Israel**

ANNEX I
List of products referred to in Article 3

ANNEX II

Products referred to in Article 4 paragraph 3

TABLE "A"
to Annex II
(Israel's Customs Codes)

TABLE "B"
to Annex II
(Israel's Customs Codes)

ANNEX III
Products referred to in Article 4 paragraph 4
Israel's Customs Codes

ANNEK IV

Products referred to in Article 4 paragraph 6

ANNEX V

Products referred to in Article 4 paragraph 6

ANNEX VI a
products referred to in Article 4 paragraph 7

ANNEX VI b

Products referred to in Article 4 paragraph 7

Annex VII

Products referred to in Article 4 paragraph 8

ANNEX VIII

Products referred in Article 4 Paragraph 9

ANNEX IX

**Intellectual, Industrial and Commercial Property Rights
referred to in Article 22**

1. By the end of the third year after the entry into force of the Agreement Israel shall accede the following multilateral conventions on intellectual, industrial and commercial property rights to which Turkey shall accede or is Party.

- Bern Convention for the Protection of Literary and Artistic Works
(Paris Act, 1971);

- Protocol relating to the Madrid Agreement concerning the International
Registration of Marks (Madrid, 1989)

2. Turkey shall also accede the following multilateral conventions by the end of the third year after the entry into force of the Agreement to which Israel shall exceed or is Party.

- Protocol relating to the Madrid Agreement concerning the International Registration
of Marks (Madrid, 1989)

- Budapest Treaty of the International Recognition of the Deposit of
Microorganisms for the Purposes of Patent Procedure (1977, modified in 1980).

- International Convention for the Protection of New Varieties of Plants (UPOV)
(Geneva Act, 1991).

3. The Joint Committee may recommend that the Parties accede to other multilateral conventions in this field.

4. Israel shall ratify, by the end of the second year after the entry into force of the Agreement, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome, 1961).

5. The Parties confirm the importance they attach to the obligations arising from following multilateral conventions:

- Paris Convention for the Protection of Industrial Property (Stockholm Act,
1967, and amended in 1979);

- International Convention for the Protection of New Varieties of Plants (UPOV)
(Geneva Act, 1991);

- Patent Cooperation Treaty (Washington, 1970, amended in 1979 and modified in
1984);

- Budapest Treaty of the International Agreement concerning the International
Registration for the Purposes of Patent Procedure (1977, modified in 1980).

PROTOCOL A

ARTICLE I

This Protocol shall apply to products that are specified in Chapter II of the Agreement.

ARTICLE II

1. The reduction of customs duties applicable under this Protocol are related to the MFN rates applied at the time of actual importation unless otherwise is specified in this Protocol.

2. The concessions granted by the Parties shall not preclude the application of trade policy measures and agriculture policies resulting from their obligations in the GATT/WTO.

ARTICLE III

Turkey and Israel shall grant preferential treatment to each other in agricultural and fishery products listed in Annex I and Annex II of this Protocol in compliance with the provisions of Protocol B on Rules of Origin of the Agreement.

ARTICLE IV

1. Israel shall eliminate or reduce import duties to the level indicated in "Column A" within the limits of tariff quotas indicated in "Column B" and subject to the specific provisions indicated in "Column C" for the products listed in Annex I originating in Turkey.

2. For the quantities imported in excess of tariff quotas, the MFN duties shall apply.

ARTICLE V

1. Turkey shall eliminate or reduce import duties to the level indicated in "Column A" within the limit of tariff quota listed in "Column C" and subject to the specific provisions indicated in "Column D" for the products listed in Annex II originating in Israel.

2. For certain processed agricultural products for which Turkish Customs Tariff provides for the application of an ad valorem duty and specific duty and listed in Annex II, Turkey shall eliminate or reduce the ad valorem duty as specified in "Column A" and apply full or reduced specific rates as shown in "Column B" within the limits of tariff quotas indicated in "Column D" and subject to the specific

provisions indicated in "Column C" of this Annex. The reduced specific rates shall be the rates that are applicable to the products originating in the European Union.

2. For the quantities imported in excess of tariff quotas, the MFN duties shall apply.

3. Concessions to be granted to Israel by Turkey, regarding to the industrial component of the Processed Agricultural Products, by any means, shall not be settled in a form more favourable than those granted by EU to Israel, since the industrial component is in the context of the Customs Union.

ARTICLE VI

The Joint Committee may decide on:

- the extension of the list of agricultural, processed agricultural and fishery products under the HS chapters 01-24,
- the amendment of the duties mentioned in Annex I and Annex II .
- the quantities eligible for tariff preferences.

ARTICLE VII

The Parties shall examine regularly on a mutually advantageous and reciprocal basis the preferential arrangements that they grant each other in agricultural, processed agricultural and fishery products. The Joint Committee or a Special Committee on Agriculture delegated by the Joint Committee shall deal with the arrangements and any problem arising from the trade in products covered by this Protocol.

ANNEX I TO PROTOCOL A

Arrangements applicable to the importation into Israel of agricultural and processed agricultural products originating in Turkey

ANNEX II TO PROTOCOL A

Arrangements applicable to the importation into Turkey of agricultural and processed agricultural products originating in Israel

PROTOCOL B

CONCERNING THE DEFINITION OF THE CONCEPT
OF "ORIGINATING PRODUCTS" AND
METHODS OF ADMINISTRATIVE COOPERATION

TITLE I
GENERAL PROVISIONS

Article 1
Definitions

For the purposes of this Protocol:

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

TITLE II
DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"

Article 2
Origin criteria

For the purpose of implementing this Agreement and without prejudice to the provisions of Article 3 of this Protocol, the following products shall be considered as

1. products originating in Turkey:

- a) products wholly obtained in Turkey, within the meaning of Article 4 of this Protocol;
- b) products obtained in Turkey which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working and processing in Turkey within the meaning of Article 5 of this Protocol;

2. products originating in Israel:

- a) products wholly obtained in Israel within the meaning of Article 4 of this Protocol;
- b) products obtained in Israel which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working or processing in Israel within the meaning of Article 5 of this Protocol.

Article 3
Bilateral cumulation

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

Article 4
Wholly obtained products

- 1. The following shall be considered as wholly obtained either in Turkey or in Israel.
 - (a) mineral products extracted from their soil or from their seabed;
 - (b) vegetable products harvested there;
 - (c) live animals born and raised there;
 - (d) products from live animals raised there;

- (e) products obtained by hunting or fishing there;
 - (f) products of sea fishing and other products taken from the sea by their vessels;
 - (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
 - (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or use as waste;
 - (i) waste and scrap resulting from manufacturing operations conducted there;
 - (j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;
 - (k) goods produced exclusively from products specified in subparagraphs (a) to (j).
2. The terms 'their vessels' and 'their factory ships' in paragraph 1 (f) and (g) shall apply only to vessels and factory ships:
- which are registered or recorded in Turkey or in Israel,
 - which sail under the flag of Turkey or of Israel,
 - which are owned to an extent of at least 50 per cent by nationals of Turkey or of Israel, or by a company with its head office in Turkey or in Israel, of which the manager or managers, chairman of the board of directors or the supervisory board, and the majority of the members of such boards are nationals of Turkey or of Israel and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to Turkey, to Israel, to their public bodies or to their nationals,
 - of which the master and officers are nationals of Turkey or of Israel,
 - of which at least 75 per cent of the crew are nationals of Turkey or of Israel,
3. The terms "Turkey" and "Israel" shall also cover the territorial waters which surround Turkey and Israel.

Sea-going vessels, including factory ships on which the fish caught is worked or processed, shall be considered as part of the territory of Turkey or of Israel provided that they satisfy the conditions set out in paragraph 2.

Article 5

Sufficiently worked or processed products

1. For the purposes of Article 2, products which are not wholly obtained in Turkey or in Israel are considered to be sufficiently worked or processed there when the conditions set out in the list in Annex II are fulfilled.

These conditions indicate, for all products covered or not by the Agreement, the working or processing which must be carried out on the non-originating materials used in the manufacture of these products, and apply only in relation to such materials. Accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in the list for that product, is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

2. Notwithstanding paragraph 1 and except as provided in Article 12 (4), non-originating materials which, according to the conditions set out in the list for a given product, should not be used in the manufacture of this product may nevertheless be used, provided that:

(a) their total value does not exceed 10 per cent of the ex-works price of the product;

(b) where, in the list, one or several percentages are given for the maximum value of non-originating materials, such percentages are not exceeded through the application of this paragraph,

This paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

3. Paragraphs 1 and 2 shall apply except as provided in Article 6.

Article 6

Insufficient working or processing operations

The following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 5 are satisfied:

(a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operation);

(b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;

(c) (i) changes of packaging and breaking up and assembly of packages;

(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packaging operations;

(d) affixing marks, labels and other like distinguishing signs on products or their packaging;

(e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in Turkey or in Israel;

- (f) simple assembly of parts to constitute a complete product,
- (g) a combination of two or more operations specified in subparagraphs (a) to (f),
- (h) slaughter of animals

Article 7

Unit of qualification

1. The unit of qualification for the application of the provisions of this Protocol shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification,
 - (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the provisions of this Protocol.
2. Where, under general rule 5 of the Harmonized System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 8

Accessories, spare parts and tools

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

Article 9

Sets

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

Article 10

Neutral elements

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

TITLE III
TERRITORIAL REQUIREMENTS

Article 11
Principle of territoriality

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

Article 12
Working or processing carried out outside one of the Parties

- 1 The acquisition of originating status in one of the Parties under the conditions set out in Title II shall not be affected by working or processing carried out outside this Party and subsequently reimported there, provided that:
 - (a) the said materials are wholly obtained in the Party concerned or have undergone there working or processing going beyond the insufficient operations listed in Article 6 prior to their exportation; and
 - (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the reimported goods result from the working or processing of the exported materials; and
 - (ii) the total added value acquired outside the Party concerned through the application of this Article does not exceed 10 per cent of the ex-works price of the final product for which originating status is claimed.
2. For the purposes of paragraph 1, the conditions set out in Title II relative to the acquisition of originating status shall not apply in respect of working or processing carried out outside the Party concerned. Nevertheless, where, in the relevant list of Annex II, a rule giving the maximum value of all the non-originating materials used is applied in determining the originating status of the final product concerned, the total value of the non-originating materials used in the Party concerned and the total added value acquired outside this Party through the application of this Article taken together shall not exceed the percentage given.
3. For the purposes of paragraphs 1 and 2, "total added value" shall mean all costs accumulated outside the Party concerned, including all the value of the materials added there.
- 4 Paragraphs 1 and 2 shall not apply to products which do not fulfil the conditions set out in the relevant list rule and which can only be considered as sufficiently worked or processed as a result of the application of the general tolerance in Article 5(2).
- 5 Paragraphs 1 and 2 shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

Article 13
Reimportation of goods

Goods exported from Turkey or Israel to a third country and subsequently returned, shall be considered as never having left the concerned Party if it can be demonstrated to the satisfaction of the customs authorities that:

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

Article 14
Direct transport

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

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

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

Article 15
Exhibitions

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

TITLE IV

DRAWBACK OR EXEMPTION

Article 16

Prohibition of drawback of, or exemption from, customs duties

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

TITLE V
PROOF OF ORIGIN

Article 17
General requirements

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

Article 18
Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.
2. For this purpose, the exporter or his authorized representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III.

These forms shall be completed in one of the languages in which the Agreement is drawn up, in accordance with the provisions of the domestic law of the exporting country. If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. The movement certificate EUR.1 shall be issued by the customs authorities of Turkey if the goods to be exported can be considered as products originating in Turkey within the meaning of Article 2 (1) of this Protocol. The movement certificate EUR.1 shall be issued by the customs authorities of Israel if the goods to be exported can be considered as products originating in Israel within the meaning of Article 2 (2) of this Protocol.

5. When the provisions of Article 3 are applied, the customs authorities of Turkey or of Israel may issue movement certificates EUR.1 under the conditions laid down in this Protocol if the goods to be exported can be considered as originating products within the meaning of this Protocol and provided that the goods covered by the movement certificates EUR.1 are in Turkey or in Israel.

In these cases movement certificates EUR.1 shall be issued subject to the presentation of the proof of origin previously issued or made out. This proof of origin must be kept for at least three years by the customs authorities of the exporting State.

6. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Protocol. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check which they consider appropriate.

The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

7. The date of issue of the movement certificate EUR.1 shall be indicated in the part of the certificate reserved for the customs authorities.
8. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country when the products to which it relates are exported. It shall be made available to the exporter as soon as actual exportation has been effected or ensured.

Article 19

Movement certificates EUR.1 issued retrospectively

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

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:

"ISSUED RETROSPECTIVELY",
"SONRADAN VERILMISTIR"
"אִישׁוּר בְּדִיעַבְדּ"

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

Article 20

Issue of a duplicate movement certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way must be endorsed with one of the following words:

"DUPLICATE",
" הַעֲתָק " "
"SURETIDIR"

3. The endorsement referred to in paragraph-2, the date of issue and the serial number of the original certificate shall be inserted in the 'Remarks' box of the duplicate movement certificate EUR.1.
4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 21

Replacement of certificates

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

Article 22
Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 17(1)(b) may be made out:
 - (a) by an approved exporter within the meaning of Article 23,
 - (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed ECU 6 000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in one of the Parties and fulfil the other requirements of this Protocol.
3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Annex IV, using one of the linguistic versions set out in that Annex in accordance with the provisions of the domestic law of the exporting country. The declaration may also be handwritten; in such a case, it shall be written in ink in printed characters.
5. Invoice declarations shall bear the original signature of the exporter in manuscript.

However, an approved exporter within the meaning of Article 23 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.

6. An invoice declaration may be made out by the exporter when the products to which it relates are exported (or exceptionally after exportation). If the invoice declaration is made out after the products to which it relates have been declared to the customs authorities in the importing country, this invoice declaration must bear a reference to the documents already submitted to these authorities.

Article 23
Approved exporter

1. The customs authorities of the exporting country may authorize any exporter, hereinafter referred to as 'approved exporter', who makes frequent shipments of products under this Agreement, and who offers to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of those products as well as the fulfilment of the other requirements of this Protocol, to make out invoice declarations irrespective of the value of the products concerned.
2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorization number which shall appear on the invoice declaration.

- 4 The customs authorities shall monitor the use of the authorization by the approved exporter
- 5 The customs authorities may withdraw the authorization at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorization

Article 24

Validity of proof of origin

1. A movement certificate EUR 1 shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country

An invoice declaration shall be valid for four months from the date it was made out by the exporter and must be submitted within the said period to the customs authorities of the importing country

2. Movement certificates EUR.1 and invoice declarations which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to reasons of *force majeure* or exceptional circumstances
3. In other cases of belated presentation, the customs authorities of the importing country may accept the movement certificates EUR 1 or invoice declarations where the products have been submitted to them before the said final date.

Article 25

Submission of proof of origin

Movement certificates EUR.1 and invoice declarations shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a movement certificate EUR 1 or an invoice declaration. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Agreement

Article 26

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of general rule 2(a) of the Harmonized System falling within Sections XVI and XVII or heading N°S 7308 and 9406 of the Harmonized System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 27

Exemptions from formal proof of origin

- 1 Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a formal proof of origin provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Protocol and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration C2/CP3 or on a sheet of paper annexed to that document.
- 2 Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view
- 3 Furthermore, the total value of these products must not exceed ECU 500 in the case of small packages or ECU 1 200 in the case of products forming part of travellers personal luggage

Article 28

Preservation of proof of origin and supporting documents

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

Article 29

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in a movement certificate EUR 1, or in an invoice declaration and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the movement certificate EUR 1, or the invoice declaration null and void if it is duly established that this document does correspond to the products submitted
2. Obvious formal errors such as typing errors on a movement certificate EUR 1, or an invoice declaration should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document

Article 30
Amounts expressed in ECUs

1. Amounts in the national currency of the exporting country equivalent to the amounts expressed in ECUs shall be fixed by the exporting country and communicated to the other Parties

When the amounts exceed the corresponding amounts fixed by the importing country, the latter shall accept them if the products are invoiced in the currency of the exporting country

2. Up to and including 30 April 2000, the amounts to be used in any given national currency shall be the equivalent in that national currency of the amounts expressed in ECUs as at the date of signing the Agreement.

For each successive period of five years, the amounts expressed in ECUs and their equivalents in the national currencies of the Parties shall be reviewed by the Joint Committee on the basis of the exchange rates of the ECU as at the first working day in March in the year immediately preceding that five-years period.

When carrying out this review, the Association Council shall ensure that there will be no decrease in the amounts to be used in any national currency and shall furthermore consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in ECUs.

TITLE VI

ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 31

Communication of stamps and addresses

The customs authorities of Turkey and of Israel shall provide each other with specimen impressions of stamps used in their customs offices for the issue of EUR 1 certificates and with the addresses of the customs authorities responsible for issuing movement certificates EUR 1 and for verifying those certificates and invoice declarations

Article 32

Verification of proof of origin

- 1 Subsequent verification of movement certificates EUR 1 and of invoice declarations shall be carried out at random or whenever the customs authorities of the importing state have reasonable doubt as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR 1, and the invoice , if it has been submitted, or the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons of substance or form for an inquiry

They shall forward, in support of the request for subsequent verification, any documents and information that have been obtained suggesting that the information given on the movement certificate EUR 1 or the invoice declaration is incorrect.

3. The verification shall be carried out by the customs authorities of the exporting country For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check which they consider appropriate.
4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, they shall offer to release the products to the importer subject to any precautionary measures judged necessary
- 5 The customs authorities requesting the verification shall be informed of the results of this verification within a maximum period of ten months These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as originating products and fulfil the other requirements of this Protocol

Where the cumulation provisions of Articles 3 2 and 18 4 were applied, the reply shall include a copy (copies) of the movement certificate(s) or invoice declaration(s) relied upon

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

Article 33

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 31 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Customs Cooperation Committee.

In all cases the settlement of disputes between the importer and the customs authorities of the importing State shall be under the legislation of the said Party.

Article 34

Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 35-

Free zones

1. Turkey and Israel shall take all necessary steps to ensure that products traded under cover of a movement certificate EUR.1, which in the course of transport use a free zone situated in their territory, are not substituted by other goods and that they do not undergo handling other than normal operations designed to prevent their deterioration.
2. By means of an exemption to the provisions contained in paragraph 1, when products originating in Turkey or in Israel are imported into a free zone under cover of an EUR.1 certificate and undergo treatment or processing, the authorities concerned shall issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this protocol.

TITLE VII

FINAL PROVISIONS

Article 36
Amendments to the Protocol

The Joint Committee may decide to amend the provisions of this Protocol

Article 37
Customs Cooperation Committee

1. A Customs Cooperation Committee shall be set up, charged with carrying out administrative cooperation with a view to the correct and uniform application of this protocol and with carrying out any other task in the customs field which may be entrusted to it.
2. The Committee shall be composed of experts of the the Parties .

Article 38
Annexes

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

Article 39
Implementation of the Protocol

Turkey and Israel shall each take the steps necessary to implement this Protocol.

Article 40
Goods in transit or storage

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

Common declaration

Turkey and Israel agree that working or processing carried out outside the Parties shall be effected by means of outward processing or a similar system.

ANNEX I

INTRODUCTORY NOTES

Preliminary remarks

The rules established in the present list are only applicable to products covered by the Agreement.

Note 1

- 1.1. The first two columns in the list describe the product obtained. The first column gives the heading number or chapter number used in the Harmonized System and the second column gives the description of goods used in that system for that heading or chapter. For each entry in the first two columns a rule is specified in columns 3 or 4. Where, in some cases, the entry in the first column is preceded by an "ex", this signifies that the rule in columns 3 or 4 only applies to the part of that heading or chapter as described in column 2.
- 1.2. Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of product in column 2 is therefore given in general terms, the adjacent rule in columns 3 or 4 applies to all products which, under the Harmonized System, are classified within headings of the chapter or within any of the headings grouped together in column 1.
- 1.3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rules in column 3 or 4.
- 1.4. Where, for any entry in the first two columns, a rule is specified in both columns 3 and 4, the exporter may opt, as an alternative, to apply either the rule set out in column 3 or that set out in column 4. If no origin rule is given in column 4, the rule set out in column 3 has to be applied.

Note 2

- 2.1. The working or processing required by a rule in column 3 has to be carried out only in relation to the non-originating materials used. The restrictions contained in a rule in column 3 likewise apply only to the non-originating materials used.

ANNEX II

**List of working or processing required to be carried out on
non-originating materials in order that the product
manufactured can obtain originating status**

ANNEX III

MOVEMENT CERTIFICATES EUR.1

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

ANNEX IV

Declaration referred to in Article 22(4)

I, the undersigned, exporter of the goods covered by this document declare that except where otherwise indicated, the goods meet the conditions to obtain originating status in preferential trade with:

Turkey / Israel (1)

and that the country of origin of the goods is:

Israel / Turkey (1)

.....
(place and date)

.....
(Signature)
(The signature must be followed
by the name of the signatory in
clear script)

(1) Delete where necessary.

JOINT DECLARATIONS

Joint Declaration on Cumulation of Rules of Origin

With the aim of strengthening the course of triangular trade among Turkey, Israel and the European Union, ensuring more efficient implementation of preferential agreements, guaranteeing the proper functioning of Turkey-EU Customs Union and of Israel-EU Association Agreement and with the aim of contributing to regional European and Mediterranean cooperation, Turkey and Israel will make all efforts so that the EU will modify the provisions of their preferential agreements in order to allow cumulation under the rules of origin.

Once the EU implements the necessary modifications in its Agreement with Israel, similar amendments shall be introduced in the Protocol on rules of origin of Turkey-Israel Free Trade Area Agreement thereby allowing in the rules of origin triangular cumulation.

Joint Declaration on Government Procurement

With regard to government procurement each Party shall grant companies of the other Party contract award procedures under a treatment no less favorable than that accorded to companies of any other countries, while maintaining each Party's legislation with regard to domestic companies.