FREE TRADE AGREEMENT

BETWEEN

THE GOVERNMENT OF THE STATE OF ISRAEL

AND

THE CABINET OF MINISTERS OF UKRAINE

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PREAMBLE

The Cabinet of Ministers of Ukraine (“Ukraine”) and the Government of the State of Israel (“Israel”) (hereinafter referred to as “the Parties”),

DESIROUS of developing and strengthening friendly relations, especially in the fields of economic co-operation and trade, with an aim of further developing–and increasing the scope of mutual trade;

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

DECLARING their readiness to undertake activities with a view of promoting harmonious development of their trade and investments as well as expanding and diversifying their mutual cooperation in fields of joint interest, including fields not covered by this Free Trade Agreement (hereinafter referred to as "this Agreement");

SEEKING to create an expanded and secure market for their goods and establish clear and mutually advantageous rules having due regard to fair conditions of competition in order to foster a predictable environment for their trade;

REAFFIRMING their membership in the World Trade Organization and their commitment to comply with their respective rights and obligations under the *Marrakesh Agreement Establishing the World Trade Organization* done on 15 April 1994, and other agreements to which they are both parties;

WISHING TO CONTRIBUTE to the harmonious development and expansion of world trade by removing obstacles to trade through the creation of a free trade area and by avoiding to create new barriers to trade and by ensuring a predictable commercial framework for business planning and investments;

Have agreed as follows:

CHAPTER ONE

GENERAL PROVISIONS

ARTICLE 1.1 OBJECTIVES

The Parties to this Agreement, consistent with Article XXIV of the GATT 1994, hereby establish a free trade area.

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

(a) increase and enhance through the expansion of mutual trade the economic cooperation between the Parties in order to raise the living standard of the populations of the two countries;

(b) eliminate barriers to trade in goods and facilitate the movement of goods between the Parties;

(c) promote conditions of fair competition relating to economic relations between the Parties; and

(d) contribute to the harmonious development and expansion of world trade by the removal of barriers to trade.

ARTICLE 1.2 DEFINITIONS

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

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

(b) **Anti - dumping Agreement** means the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* and its Interpretative Notes, contained in Annex 1A to the WTO Agreement;

(c) **Agreement Coordinators** means the Agreement Coordinators established under Article 9.5 (Agreement Coordinators);

(d) **Customs Authorities** means in Ukraine, the State Fiscal Service of Ukraine and in the State of Israel, the Customs Directorate of the Israel Tax Authority of the Ministry of Finance;

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

(i) charge equivalent to an internal tax imposed in accordance with Article III.2 of the GATT 1994, in respect of like, directly competitive, or substitutable goods of a Party, or in respect of goods from which the imported goods have been manufactured or produced in whole or in part;

(ii) antidumping or countervailing or safeguard duties that are applied consistently with Article VI of the GATT 1994, the Anti – dumping agreement, the Subsidies Agreement or the Safeguards Agreement;

(iii) fee or other charge in connection with importation commensurate with the cost of services rendered;

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

(g) **days** means calendar days;

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

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

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

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

(l) **Joint Committee** means the Joint Committee established in accordance with Article 9.1 (Establishment of the Joint Committee);

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

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

(o) **originating** means qualifying under the rules of origin set out in Article 2.13 (Rules of Origin);

(p) **person** means a natural person or a juridical person;

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

(r) **sanitary or phytosanitary measure** means any measure referred to in paragraph 1 of Annex A of the SPS Agreement;

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

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

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

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

(w) **territory** means:

(i) with respect to Ukraine, the land territory, internal waters, and territorial sea of Ukraine and the airspace above them and the exclusive (maritime) economic zone and continental shelf, over which Ukraine exercise sovereign rights and jurisdiction in accordance with its national laws in force and international law;

(ii) with respect to Israel, for the purposes of trade in goods, the territory where its customs laws are applied;

(x) **WTO** means the *World Trade Organization*; and

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

ARTICLE 1.3 CUSTOMS UNIONS, FREE TRADE AREAS AND FRONTIER TRADE ARRANGEMENTS

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas, arrangements for frontier trade insofar as they are in accordance with the provisions of Article XXIV of the GATT 1994 and with the Understanding on the Interpretation of Article XXIV of the GATT 1994.

2. Upon request of either Party, consultations between the Parties shall take place within the Joint Committee in order for the Parties to inform each other and discuss agreements establishing customs unions or free trade areas.

ARTICLE 1.4 RELATIONSHIP TO OTHER INTERNATIONAL OBLIGATIONS

1. The Parties affirm their existing rights and obligations with respect to each other under the WTO Agreement and other international agreements to which the Parties are party.

2. In the event of any inconsistency between this Agreement and the agreements referred to in paragraph 1, this Agreement prevails, except as otherwise provided in this Agreement.

ARTICLE 1.5 SERVICES NEGOTIATIONS

Recognizing the importance of trade in services as a means of broadening and deepening their trade and economic relations, the Parties agree to commence negotiations concerning the further liberalization of trade in services within two years of the entry into force of this Agreement.

ARTICLE 1.6 REFERENCE TO OTHER AGREEMENTS

When this Agreement refers to or incorporates by reference other agreements or legal instruments in whole or in part, those references include related footnotes, interpretative notes and explanatory notes that are binding on both Parties.

ARTICLE 1.7 EXTENT OF OBLIGATIONS

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

CHAPTER TWO

TRADE IN GOODS

ARTICLE 2.1: SCOPE

The provisions of this Chapter shall apply to trade in goods originating in the Parties as specified in Article 2.13 (Rules of Origin) classified under Chapters 1 through 97 of the Harmonized System (HS).

ARTICLE 2.2: CUSTOMS DUTIES ON IMPORTS

1. Upon entry into force of this Agreement, the Parties shall eliminate all customs duties on imports of goods classified under Chapters 1 through 97 of the Harmonized System (HS), originating in the Parties except as otherwise provided for in its Tariff Schedules to Annex 2-C (Tariff Elimination).

2. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any new customs duty, or other charges that have equivalent effect, on an originating good of the other Party.

3. For greater certainty, a Party may:

(a) modify outside this Agreement its tariffs on goods for which no tariff preference is established pursuant to this Agreement;

(b) increase a customs duty to the level established in its Tariffs Schedules to Annex 2-C (Tariff Elimination) following a unilateral reduction; and

(c) maintain or increase a customs duty as authorised by the Dispute Settlement Body of the WTO or as permitted by any agreement under the WTO Agreement.

ARTICLE 2.3: BASIC DUTIES

1. For each good, the basic duty to which the successive reductions set out in this Agreement as indicated in its Tariffs Schedules to Annex 2-C (Tariff Elimination) to be applied for imports between the Parties, shall be the Most Favoured Nation (MFN) duty that was in force in the Parties on 1 January 2015.

2. During the tariff elimination process, each Party shall apply to originating goods traded between the Parties the lesser of the customs duties resulting from a comparison between the rate established in accordance with its Tariffs Schedule to Annex 2-C (Tariff Elimination) and the applied most-favoured-nation (MFN) rate.

3. Reduced duties calculated in accordance with paragraph 1 of this Article shall be applied rounded to the first decimal place or, in the case of specific duties, to the second decimal place.

4. Upon request, the Parties shall communicate to each other their respective basic duties.

ARTICLE 2.4: DUTIES ON EXPORTS

Except as otherwise provided in Annex 2-B, each Party may apply duties, taxes or charges having equivalent effect, on exports, in accordance with their rights and obligations under the WTO.

ARTICLE 2.5: CLASSIFICATION AND VALUATION OF GOODS

1. The classification of goods in trade between the Parties shall be as set out in the respective tariff nomenclature of each Party in conformity with the Harmonized System (HS).

2. A Party may introduce new tariff splits, provided that the preferential conditions applied in the new tariff splits are not less preferential than those applied originally.

3. For the purpose of determining the customs value of goods traded between the Parties, provisions of Article VII of the GATT 1994, its Interpretative Notes, and the Agreement on Implementation of Article VII (Customs Valuation Agreement) of the GATT 1994 shall apply *mutatis mutandis*.

ARTICLE 2.6: IMPORT AND EXPORT RESTRICTIONS

1. Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except under Article XI of the GATT 1994 and its Interpretative Notes; and to this end, Article XI of the GATT 1994 and its Interpretative Notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.

2. Paragraph 1 shall not apply to the measures set out in Annex 2-A.

3. The Parties understand that the GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:

(a) export and import price requirements, except as permitted in enforcement of countervailing and antidumping duty orders and undertakings; or

(b) import licensing conditioned on the fulfillment of a performance requirement.

4. For the purposes of this Article, performance requirement means a requirement that:

(a) a given level or percentage of goods or services be exported;

(b) domestic goods or services of the Party granting a waiver of customs duties or an import license be substituted for imported goods;

(c) a person benefiting from a waiver of customs duties or an import license purchase other goods or services in the territory of the Party granting the waiver of customs duties or the import license, or accord a preference to domestically produced goods;

(d) a person benefiting from a waiver of customs duties or an import license produce goods or supply services, in the territory of the Party granting the waiver of customs duties or the import license, with a given level or percentage of domestic content; or

(e) relates in any way to the volume or value of imports, to the volume or value of exports or to the amount of foreign exchange inflows;

but does not include a requirement that an imported good be:

(f) subsequently exported;

(g) used as a material in the production of another good that is subsequently exported;

(h) substituted by an identical or similar good used as a material in the production of another good that is subsequently exported; or

(i) substituted by an identical or similar good that is subsequently exported.

5. In the event that a Party introduces a measure that imposes a prohibition or restriction otherwise justified under the relevant provisions of the WTO Agreement with respect to the exportation of goods to the other Party, the Party imposing the measure, shall notify the other Party, in advance, of its intention to apply that measure. Upon the request of the other Party, it shall enter into consultation with the aim of resolving any problem that may arise due to that measure.

ARTICLE 2.7: NATIONAL TREATMENT

1. Except as otherwise provided in this Agreement, each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its Interpretative Notes. To this end, Article III of the GATT 1994 and its Interpretative Notes, are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Paragraph 1 shall not apply to the measures set out in Annex 2-A.

ARTICLE 2.8: STATE TRADING ENTERPRISES

The rights and obligations of the Parties in respect of state trading enterprises shall be governed by Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, which are hereby incorporated into and made part of this Agreement.

ARTICLE 2.9: TEMPORARY ADMISSION OF GOODS

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:

(a) professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, necessary for

carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the law of the importing Party;

(b) goods intended for display or demonstration; and

(c) commercial samples and advertising films and recordings;

2. Each Party shall, upon request of the person concerned and for reasons its Customs Authority considers valid, extend the time limit for temporary admission beyond the period initially fixed.

3. No Party may condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that the good:

(a) be used solely by or under the personal supervision of a national or resident of the other Party in the exercise of trade, business, professional, or sport activities;

(b) not be sold or leased while in its territory;

(c) be accompanied by a security in an amount no greater than the import duties and other charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;

(d) be capable of identification when exported;

(e) be exported upon the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within one year, unless extended;

(f) be admitted in no greater quantity than is reasonable for its intended use; and

(g) be otherwise admissible into the Party's territory under its law.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the good plus any other charges or penalties provided for under its law.

5. Each Party shall adopt and maintain procedures providing for the expeditious release of goods admitted in accordance with this Article. To the extent possible, such procedures shall provide that, when such goods accompany a national or resident of the other Party who is seeking temporary entry, the goods shall be released simultaneously with the entry of that national or resident.

6. Each Party shall permit a good temporarily admitted in accordance with this Article to be exported through a customs port other than that through which it was admitted.

7. Each Party shall provide that the importer or other person responsible for a good admitted under this Article shall not be liable for failure to export the good on presentation of satisfactory proof to the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension thereof.

8. Each Party shall allow a vehicle or container used in international traffic that enters its territory from the territory of the other Party to exit its territory on any route that is reasonably related to the economic and prompt departure of such vehicle or container.

9. No Party may require any security or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a vehicle or container.

10. No Party may condition the release of any obligation, including any security, that it imposes in respect of the entry of a vehicle or container into its territory on its exit through any particular port of departure.

11. No Party may require that the vehicle or carrier bringing a container from the territory of the other Party into its territory be the same vehicle or carrier that takes the container to the territory of the other Party.

12. For purposes of paragraphs 8-11, vehicle means a truck, a truck tractor, a tractor, a trailer unit or trailer, a locomotive, or a railway car or other railroad equipment.

ARTICLE 2.10: GOODS RE-ENTERED AFTER REPAIR OR RESTORATION

1. Neither Party may apply customs duties to a good, regardless of its origin, that re-enters its territory after that good has been temporarily exported from its territory to the territory of the other Party for repair or restoration, whether under warranty or not, regardless of whether such repair or restoration could be performed in the territory of the Party from which the good was exported for repair or restoration.

2. Neither Party may apply custom duties to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or restoration.

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

(a) destroys a good's essential characteristics or creates a new or commercially different good; or

(b) results in a change of the classification at a six digit level of the Harmonized System.

ARTICLE 2.11: FEES AND OTHER CHARGES

1. Each Party shall ensure, under Article VIII of the GATT 1994 and its Interpretative Notes, that all fees and charges of any character (other than customs duties and other duties and charges that are excluded from the definition of a customs duty) imposed on, or in connection with, importation or exportation of goods, are limited to the approximate cost of services rendered and do not represent an indirect protection of domestic goods or taxation of imports or exports for fiscal purposes.

2. To the extent possible, each Party shall make available and maintain, preferably through the Internet, updated information regarding all fees and charges imposed in connection with importation or exportation of goods.

ARTICLE 2.12: IMPORT LICENSING PROCEDURES

No Party shall adopt or maintain a measure that is inconsistent with *the WTO Agreement on Import Licensing Procedures* (hereinafter referred to as the "Import Licensing Agreement") which is incorporated into and made an integral part of this Agreement, *mutatis mutandis.*

ARTICLE 2.13: RULES OF ORIGIN

1. The rules of origin and methods of administrative cooperation applicable between the Parties are set out in Appendix I and where relevant, the provisions in Appendix II of the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (hereinafter referred to as "the Convention"), with the exception of paragraphs 2 and 3 below.

2. Dispute Settlement:

(a) Where disputes arise with respect to the interpretation, application fulfilment or nonfulfillment of the provisions of Appendix I or Appendix II to the Convention, that cannot be settled between the customs authorities of the Parties, the matter shall be submitted to the

Subcommittee on Customs, Trade Facilitation and Rules of Origin established by the Joint Committee in accordance with Chapter 9 (Administration of the Agreement) of this Agreement. If no solution is reached, Chapter 10 (Dispute Settlement) of this Agreement shall apply.

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

3. Electronic Movement Certificate EUR.1

(a) For the purpose of facilitating the trade between the Parties, the Parties agree to promote the use of Electronic Movement Certificates. For this purpose, the provisions of The Convention regarding Movement Certificates EUR.1 shall apply to Electronic Movement Certificates, *mutatis mutandis*.

(b) Upon the notification from one Party to the other Party expressing its readiness to implement this Article, all the technical issues related to such implementation (issuance, submission and verification of electronic movement certificate) shall be agreed upon and implemented by the customs authorities of both Parties as soon as possible.

4. A Party may notify in writing to the depositary of the Convention about its intention to withdraw from the Convention according to Article 9 of the Convention. In such case the Parties shall immediately enter into negotiations on rules of origin for the purpose of implementing this Agreement.

5. Until the entry into force of these new mutually agreed rules of origin the Parties shall apply the rules of origin contained in Appendix I and, where applicable, in Appendix II of the Convention allowing for the use of bilateral cumulation exclusively between the Parties.

ARTICLE 2.14: IMPLEMENTATION AND ADMINISTRATION OF TARIFF RATE QUOTAS

1. Each Party shall implement and administer the tariff rate quotas set out in its Tariff Schedule to Annex 2-C (Tariff Elimination) under Article XIII of the GATT 1994, including its Interpretative Notes, and the *Agreement on Import Licensing Procedures*, contained in Annex 1A to the WTO Agreement.

2. Upon the request of the exporting Party, the importing Party shall provide information regarding the administration of its tariff rate quotas to the exporting Party.

ARTICLE 2.15: SUBCOMMITTEE ON TRADE IN GOODS

1. The Parties hereby establish a Subcommittee on Trade in Goods (hereinafter referred to as "the Subcommittee"), comprising representatives of each Party.

2. The Subcommittee shall meet on the request of a Party or the Joint Committee to consider any matter arising under this Chapter, Chapter 4 (Trade Remedies) and Chapter 5 (Sanitary and Phytosanitary Measures).

3. The Subcommittee's functions shall include, *inter alia*:

(a) monitoring the implementation and administration of this Chapter;

(b) promoting trade in goods between the Parties, including through consultations on accelerating reduction or elimination of customs duties in accordance with this Agreement and other issues as appropriate;

(c) addressing barriers to trade in goods between the Parties, especially those related to the application of non-tariff measures, and, if appropriate, referring such matters to the Joint Committee for its consideration;

(d) providing a forum for discussion or the exchange of information on matters related to subparagraph (a) through (d), which may, directly or indirectly affect trade between the Parties with a view to eliminating their negative effects on trade and seeking mutually acceptable alternatives.

Annex 2- A

Exceptions to Articles 2.6 (Import and Export Restrictions) and 2.7 (National Treatment)

Israeli Measures

Articles 2.6 (National Treatment) and 2.7 (Import and Export Restrictions) do not apply to:

(a) a measure, including that measure's continuation, prompt renewal or amendment, in respect of the following:

(i) controls and charges maintained by Israel on the export of metal waste and scrap; or

(ii) subject to Israeli law, imports of non-kosher meat; and

(b) an action authorized by the Dispute Settlement Body of the WTO in a dispute between the Parties under the WTO Agreement.

Annex 2- B

Exceptions to Article 2.4 Duties on Exports

Ukraine shall not apply customs duties on exports to:

HS code -2012	Description	Quantity
1001 99 00 00	Wheat and meslin: - Other - - Other	Up to 900K Ton
7213 91	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel: - Other - - Of circular cross-section measuring less than 14 mm in diameter	Up to 150K Ton
7214 20	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling: - containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	Up to 12K Ton
7208	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated.	Up to 125K Ton

Annex 2- C

Tariff Elimination

1. Except as otherwise provided in the Tariff Schedule of Israel and the Tariff Schedule of Ukraine (hereafter - a Party's Schedule) to this Annex, the following categories apply to the reduction or elimination of customs duties by each Party pursuant to Article 2.3.2:

(a) **Category 0** - customs duties on originating goods provided for in the items in category "0" in a Party's Schedule shall be eliminated entirely and such goods shall be duty-free on the date this Agreement enters into force;

(b) **Category 3** - customs duties on originating goods provided for in the items in category "3" in a Party's Schedule shall be eliminated in 3 (three) equal stages, the first one taking place on the date of entry into force of this Agreement and the other two on January 1st of each successive year;

(c) **Category 5** - customs duties on originating goods provided for in the items in category "5" in a Party's Schedule shall be eliminated in 5 (five) equal stages, the first one taking place on the date of entry into force of this Agreement and the other four on January 1st of each successive year.

(d) **Category 7** - customs duties on originating goods provided for in the items in category "7" in a Party's Schedule shall be eliminated in 7 (seven) equal stages, the first one taking place on the date of entry into force of this Agreement and the other six on January 1st of each successive year.

(e) **Category MFN-15%** - customs duties on originating goods provided for in the items in category "MFN-15%" in a Party's Schedule shall be reduced by fifteen percent and such goods shall remain at 85 percent of the base rate from the date this Agreement enters into force;

(f) **Category MFN-20%** - customs duties on originating goods provided for in the items in category "MFN-20%" in a Party's Schedule shall be reduced by twenty percent and such goods shall remain at 80 percent of the base rate from the date this Agreement enters into force;

(g) **Category MFN-25%** - customs duties on originating goods provided for in the items in category "MFN-25%" in a Party's Schedule shall be reduced by twenty five percent and such goods shall remain at 75 percent of the base rate from the date this Agreement enters into force;

(h) **Category MFN-50%** - customs duties on originating goods provided for in the items in category "MFN-50%" in a Party's Schedule shall be reduced by fifty percent and such goods shall remain at 50 percent of the base rate from the date this Agreement enters into force;

(i) **Category MFN-50% in 2 years** - customs duties on originating goods provided for in the items in category "MFN-50% in 2 years" in a Party's Schedule shall be reduced by fifty percent in two equal annual stages, the first one taking place on the date of entry into force of this Agreement and the second on January 1st of the successive year;

(j) **Category MFN-50% in 3 years** - customs duties on originating goods provided for in the items in category "MFN-50% in 3 years" in a Party's Schedule shall be reduced by fifty percent in three equal annual stages, the first one taking place on the date of entry into force of this Agreement and the other two on January 1st of each successive year;

(k) **Category MFN-50% in 5 years** - customs duties on originating goods provided for in the items in category "MFN-50% in 5 years" in a Party's Schedule shall be reduced by fifty percent in five equal annual stages, the first one taking place on the date of entry into force of this Agreement and the other four on January 1st of each successive year;

(l) **Category MFN-50% in 7 years** - customs duties on originating goods provided for in the items in category "MFN-50% in 7 years" in a Party's Schedule shall be reduced by fifty percent in seven equal annual stages, the first one taking place on the date of entry into force of this Agreement and the other six on January 1st of each successive year;

(m) **Category MFN-10% in 5 years** - customs duties on originating goods provided for in the items in category "MFN-10% in 5 years" in a Party's Schedule shall be reduced by ten percent in five equal annual stages, the first one taking place on the date of entry into force of this Agreement and the other four on January 1st of each successive year;

(n) **Category MFN-20% in 5 years** - customs duties on originating goods provided for in the items in category "MFN-20% in 5 years" in a Party's Schedule shall be reduced by twenty percent in five equal annual stages, the first one taking place on the date of entry into force of this Agreement and the other four on January 1st of each successive year;

(o) **Category Binding** - customs duties on originating goods provided for in

the items in category "Binding" in a Party's Schedule shall be bound to the base rates indicated in a Party's schedule;

(p) **Category TRQ** - customs duties on originating goods provided for in the items in category "TRQ" in a Party's Schedule shall be subject to preferences within a Tariff Rate Quota, as specified for each tariff item in the Appendix to this Annex, upon entry into force of this Agreement;

(q) **Category MFN** - no obligations regarding customs duties in this Agreement shall apply with respect to items in category "MFN".

2. The base rate of customs duty and category for determining the interim rate of customs duty at each stage of reduction for an item are indicated for the item in each Party's Schedule.

3. Notwithstanding the above, for purposes of this Annex and a Party's Schedule, if this Agreement enters into force in the last quarter of the calendar year, the tariff eliminations or reductions as specified in paragraph 1 shall commence on January 1st of the successive year after entry into force. The following tariff reductions, if any, shall take effect on January 1st of each successive year.

Tariff Schedule of Israel

(TARIFF SCHEDULE ATTACHED AS SEPARATE VOLUME)

Tariff Schedule of Ukraine

(TARIFF SCHEDULE ATTACHED AS SEPARATE VOLUME)

APPENDIX to Annex 2-C

This Appendix summarizes the aggregate quantities of TRQs for imports into Israel as set out in the Tariff Schedule of Israel, where applicable.

1. Indicative aggregate TRQs for imports into Israel

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
02041010	FRESH	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02041090	OTHER	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02042100	Carcasses and half carcasses	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02042200	Other cuts with bone in	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02042300	Boneless	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02043000	CARCASSES AND HALF CARCASSES OF LAMB, FROZEN	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02044100	CARCASSES AND HALF CARCASSES	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02044200	OTHER CUTS WITH BONE IN	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02044300	BONELESS	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02045000	Meat of goats	0	7	30	0	0	0	Kg	Joint TRQ 100 tons for 0204
02071100	Not cut in pieces, fresh or chilled	0	3.75	170	0	0	0	Kg	Joint TRQ 50 Ton for 02071100 and 02071300
02071200	Not cut in pieces, frozen	7.5	0	0	0	0	0	Kg	Joint TRQ 135 Ton + MFN=7.5% for 02071200 and 02071400
02071300	CUTS AND OFFAL, FRESH OR CHILLED	0	6.75	111	0	0	0	Kg	Joint TRQ 50 Ton for 02071100 and 02071300
02071400	Cuts and offal, frozen	7.5	0	0	0	0	0	Kg	Joint TRQ 135 Ton + MFN=7.5% for 02071200 and 02071400

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
04021020	Approved by the Director General of the Ministry of Economy as intended for the manufacture of chocolate, candy, animal food or food preparations of heading 19.01	162	0	0	0	0	0	Kg	Joint TRQ 500 ton for 04021020 and 04022120
04021090	OTHER	162	0	0	0	0	0	Kg	Joint TRQ 50 ton for 04021090 and 04022190
04022120	Approved by the Director General of the Ministry of Economy as intended for the manufacture of chocolate, candy, animal food or food preparations of heading 19.01	212	0	0	0	0	0	Kg	Joint TRQ 500 ton for 04021020 and 04022120
04022190	OTHERS	212	0	0	0	0	0	Kg	Joint TRQ 50 ton for 04021090 and 04022190
04031090	OTHER	0	6	60	0	0	0	Kg	joint TRQ 50 ton for 04031090 and 04039090
04039090	OTHERS	0	6	60	0	0	0	Kg	joint TRQ 50 ton for 04031090 and 04039090
04051039	OTHERS	160	0	0	0	0	0	Kg	joint TRQ 50 Ton for: 04051039, 04051099, 04052000, 04059090
04051099	OTHER	140	0	0	0	0	0	Kg	joint TRQ 50 Ton for: 04051039, 04051099, 04052000, 04059090
04052000	Dairy spreads	140	0	0	0	0	0	Kg	joint TRQ 50 Ton for: 04051039, 04051099,

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
									04052000, 04059090
04059090	OTHERS	140	0	0	0	0	0	Kg	joint TRQ 50 Ton for: 04051039, 04051099, 04052000, 04059090
04061090	OTHERS	0	8.39	0	0	0	0	Kg	joint TRQ 40 Ton for 04061090 and 04069090 + Binding
04069090	OTHERS	0	8.39	0	0	0	0	Kg	joint TRQ 40 Ton for 04061090 and 04069090 + Binding
04072100	Of fowls of the species Gallus domesticus	0	0.3	170	0	0	0	Each	TRQ 5.5 Milion eggs - 3 Milion for any purpose and 2.5 Milion only for industry
04081100	DRIED	14	8	100	0	0	0	Kg	joint TRQ 10 Ton for: 04081100 and 04081900 + Binding
04081900	OTHER	14	3.25	100	0	0	0	Kg	joint TRQ 10 Ton for: 04081100 and 04081900 + Binding
04090020	OTHER IN PACKAGES WHOSE WEIGHT EXCEED 1.5 KG AND DOES NOT EXCEED 50 KG	0	11.71	255	0	0	0	Kg	TRQ 25 tons + binding
04090030	IN PACKAGES WHOSE WEIGHT EXCEEDS 50 KG.	0	11.24	255	0	0	0	Kg	TRQ 100 tons + binding
04090090	OTHER	0	17.32	255	0	0	0	Kg	TRQ 25 tons + binding
07019011	IN PACKAGES WHOSE WEIGHT EXCEEDS 750 KG.	0	1.9	230	0	0	0	Kg	joint TRQ 500 ton for 070190
07019021	IN PACKAGES WHOSE WEIGHT EXCEEDS 750 KG.	0	1.64	234	0	0	0	Kg	joint TRQ 500 ton for 070190

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
07020090	WHICH WILL BE RELEASED IN THE MONTHS NOVEMBER TO MAY	0	0.95	272	0	0	0	Kg	joint TRQ 300 ton for 0702
07031090	OTHERS	0	1.16	298	0	0	0	Kg	joint TRQ 75 ton for 070310
07101000	POTATOES	12	0	0	2.57	0	0	Kg	joint TRQ 250 tons for 0710
07102100	Peas (Pisum sativum)	12	0	0	1.27	0	0	Kg	joint TRQ 250 tons for 0710
07102200	Beans (Vigna spp. Phaseolus spp.)	12	0	0	1.27	0	0	Kg	joint TRQ 250 tons for 0710
07102920	BROAD BEANS (VICIA FABA VAR. MAJOR)	8	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07102990	OTHERS	20	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07103000	SPINACH, NEW ZEALAND SPINACH AND ORACHE SPINACH (GARDEN SPINACH)	20	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07104000	SWEET CORN (EU 5)	12	0	0	1.71	0	0	Kg	joint TRQ 250 tons for 0710
07108010	CARROTS, CAULIFLOWER, BROCCOLI, (LEEK), CABBAGE, PEPPERS, CELERY (EU 5)	20	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07108020	MUSHROOMS	8	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07108030	Leeks, okra or artichoke	8	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07108040	Carrot	12	0	0	1.02	0	0	Kg	joint TRQ 250 tons for 0710
07108090	OTHERS	30	0	0	0	0	0	Kg	joint TRQ 250 tons for 0710
07109000	Mixtures of vegetables	12	0	0	1.6	0	0	Kg	joint TRQ 250 tons for 0710

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
07132000	Chickpeas (garbanzos)	0	1.12	140	0	0	0	Kg	TRQ 175 ton
08071100	Watermelons	0	0.46	102	0	0	0	Kg	TRQ 300 ton
08081000	APPLES	0	1.97	553	0	0	0	Kg	TRQ 180 Ton
08112090	OTHERS	8	0	0	0	0	0	Kg	TRQ 100 ton
09042100	Dried, neither crushed nor ground	12	0	0	0	0	0	Kg	joint TRQ 50 tons for 09042100 and 09042200
09042200	Crushed or ground	12	0	0	0	0	0	Kg	joint TRQ 50 tons for 09042100 and 09042200
10011900	Other	50	0	0	0	0	0	Kg	TRQ 8,000 ton
10019910	APPROVED BY THE DIRECTOR GENERAL OF THE MINISTRY OF AGRICULTURE THAT THE GOODS ARE INTENDED FOR ANIMAL FEED	50	0	0	0	0	0	Kg	TRQ 200 ton
10019990	OTHER	50	0	0	0	0	0	Kg	TRQ 450K Ton
15121111	Sunflower oil	7	0	0	0	0	0	Kg	joint TRQ 2600 Ton for 15121111, 15121190, 15121921, 15121990
15121190	OTHER	8	0	0	0	0	0	Kg	joint TRQ 2600 Ton for 15121111, 15121190, 15121921, 15121990
15121921	Sunflower oil	7	0	0	0	0	0	Kg	joint TRQ 2600 Ton for 15121111, 15121190, 15121921, 15121990
15121990	OTHER	8	0	0	0	0	0	Kg	joint TRQ 2600 Ton for 15121111, 15121190, 15121921, 15121990
16010010	CONTAINING CHICKEN MEAT	12	2.9	22	0	0	0	Kg	TRQ 50 ton
16023190	OTHER	12	2.9	22	0	0	0	Kg	joint TRQ 80 Ton for 16023190, 16023290, 16023990
16023290	OTHER	12	2.9	22	0	0	0	Kg	joint TRQ 80 Ton for 16023190, 16023290, 16023990

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
16023990	OTHERS	12	2.9	22	0	0	0	Kg	joint TRQ 80 Ton for 16023190, 16023290, 16023990
19054030	CONTAINING ADDITIVES OF HONEY, OR EGGS, OR MILK PRODUCTS, OR FRUITS OR COCOA	0	0.32	112	0	0	0	Kg	joint TRQ 50 ton for 19054030, 19054090
19054090	OTHERS	0	0.32	112	0	0	0	Kg	joint TRQ 50 ton for 19054030, 19054090
19059091	Containing eggs at a rate of 10% or more of the weight, but not less than 1.5% of milk fats and not less than 2.5% of milk proteins.	0	0.32	112	0	0	0	Kg	joint TRQ 100 ton for 19059091, 19059092, 19059099
19059092	OTHERS, CONTAINING FLOUR, WHICH IS NOT WHEAT FLOUR, IN A QUANTITY EXCEEDING 15% OF THE TOTAL FLOUR WEIGHT	0	0.32	112	0	0	0	Kg	joint TRQ 100 ton for 19059091, 19059092, 19059099
19059099	OTHERS	0	0.32	112	0	0	0	Kg	joint TRQ 100 ton for 19059091, 19059092, 19059099
20011000	CUCUMBERS AND GHERKINS	12	0	0	0.64	0	0	Kg	TRQ 50 ton
20019090	OTHERS	12	0	0	0	0	0	Kg	TRQ 200 ton
20029013	INDUSTRY, TRADE AND LABOR THAT THEY ARE INTENDED FOR THE MANUFACTURE OF KETCHUP (CONDITIONAL)	12	0	0	1.01	0	0	Kg	TRQ 120 ton

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
20029020	IN POWDERED FORM	8	0	0	0	0	0	Kg	TRQ 275 ton
20049099	OTHERS (EU 5)	12	0	0	1.28	0	0	Kg	TRQ 30 ton
20052090	OTHERS	12	0	0	2.57	0	0	Kg	TRQ 50 ton
20054090	OTHER	12	0	0	1.22	0	0	Kg	TRQ 20 Ton + Binding
20055100	BEANS, SHELLED	12	0	0	0	0	0	Kg	TRQ 50 ton
20055990	OTHER	12	0	0	1.22	0	0	Kg	TRQ 10 Ton + Binding
20059940	Chickpeas	12	0	0	1.06	0	0	Kg	TRQ 75 ton
20085090	OTHERS	8	0	0	0	0	0	Kg	TRQ 50 ton
20086000	Cherries	8	0	0	0	0	0	Kg	TRQ 50 ton
20088040	IN PACKAGES WHOSE WEIGHT EXCEEDS 4.5 KG	12	0	0	1.6	0	0	Kg	TRQ 50 ton
20089710	Of fruits detailed in rule 2 of additional rules for chapter 20	8	0	0	0	0	0	Kg	TRQ 50 ton
20089919	OTHERS	8	0	0	0	0	0	Kg	joint TRQ 100 ton for 20089919 and 20089990
20089990	OTHERS	8	0	0	0	0	0	Kg	joint TRQ 100 ton for 20089919 and 20089990
20096100	Of a Brix value not exceeding 30	12	0	0	1.6	0	0	Kg	TRQ 50 ton
20096920	Of a Brix value not exceeding 67	30	0	0	1.6	0	0	Kg	TRQ 25 Ton for 20096920 and 20096990 + Binding
20096990	OTHERS	30	0	0	1.6	0	0	Kg	TRQ 25 Ton for 20096920 and 20096990 + Binding
20097110	IN PACKAGES CONTAINING 100 KG OR MORE	12	0	0	0	0	0	Kg	joint TRQ 80 ton for 20097110 and 20097190
20097190	OTHER	12	0	0	0	0	0	Kg	joint TRQ 80 ton for 20097110 and 20097190
20097939	OTHERS	12	0	0	0	0	0	Kg	joint TRQ 100 ton for 20097939 and

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
									20097990
20097990	OTHER	12	0	0	0	0	0	Kg	joint TRQ 100 ton for 20097939 and 20097990
20098919	Others	12	0	0	0	0	0	Kg	TRQ 50 ton
20098930	CONCENTRATED JUICES WHOSE BRIX VALUE EXCEEDS 67	12	0	0	0	0	0	Kg	joint TRQ 200 ton for 20098930 and 20098990
20098990	OTHERS	12	0	0	0	0	0	Kg	joint TRQ 200 ton for 20098930 and 20098990
20099030	CONTAINING MORE THAN 50% OF CITRUS, TOMATO, OR APPLE JUICES (BRIX VALUE DOESNOT EXCEED 20	12	0	0	0	0	0	Kg	TRQ 100 ton
20099090	OTHERS	12	0	0	0	0	0	Kg	TRQ 30 Ton + Binding
21050011	CONTAINING LESS THAN 3% MILK FAT	4	0	0	0	0	0	Kg	joint TRQ 400 ton for 21050011, 21050012 and 21050013
21050012	CONTAINING 3% OR MORE MILK FAT BUT LESS THAN 7% MILK FAT	4	0	0	0	0	0	Kg	joint TRQ 400 ton for 21050011, 21050012 and 21050013
21050013	CONTAINING 7% OR MORE MILK FAT	4	0	0	0	0	0	Kg	joint TRQ 400 ton for 21050011, 21050012 and 21050013
22041000	MALT EXTRACT SPARKLING WINE:	12	0	0	3.74	0	0	Liter	TRQ 45,000 Liters for 22041000, 22042100, 22042900, 22051000 + Binding
22042100	In containers holding 2 lt or less	12	1.48	0	5.21	0	0	Liter	TRQ 45,000 Liters for 22041000, 22042100, 22042900, 22051000 + Binding
22042900	Other	12	1.48	0	5.21	0	0	Liter	TRQ 45,000 Liters for 22041000, 22042100, 22042900, 22051000 + Binding

HS Code	Description	Out of quota rates				In quota preferential rates		Measurement Unit	Quantity
		Rate (%)	Per Unit Rate (NIS)	No more than (%)	No less than (NIS)	Rate (%)	Per Unit Rate (NIS)		
22051000	IN CONTAINERS HOLDING 2 LT OR LESS	12	0	0	2.15	0	0	Liter	TRQ 45,000 Liters for 22041000, 22042100, 22042900, 22051000 + Binding
23091020	containing, by weight, not less than 15% and not more than 35% protein substances and not less than 4% fatty substances	3	0	0	0	0	0	Kg	TRQ 60 Ton + binding
35021100	DRIED:	0	5	50	0	0	0	Kg	TRQ 20 Ton for 35021100 and 35021900 + Binding
35021900	OTHER:	10	3.25	50	0	0	0	Kg	TRQ 20 Ton for 35021100 and 35021900 + Binding

In the event of a conflict between a provision of this Appendix and a provision of Tariff Schedule of Israel, the provision of the latter shall prevail to the extent of the conflict.

CHAPTER THREE

CUSTOMS PROCEDURES

ARTICLE 3.1: CUSTOMS COOPERATION

The Parties shall cooperate in order to ensure:

(a) The correct implementation and operation of the provisions of this Agreement as they relate to:

(i) the import or export of goods within the framework of this Agreement;

(ii) preferential treatment and claims procedures;

(iii) verification procedures;

(iv) customs valuation and tariff classification of goods; and

(v) restrictions or prohibitions on imports and/or exports of goods;

(b) Each Party shall designate official contact points and provide details thereof to the other Party, with a view to facilitating the effective implementation of this Chapter and Article 2.13 (Rules of Origin). If a matter cannot be resolved through the contact points, it shall be referred to the Subcommittee on Customs, Trade Facilitation and Rules of Origin as set out in this Chapter.

ARTICLE 3.2: TRADE FACILITATION

1. The Parties shall apply their respective customs laws and procedures in a transparent, consistent, fair and predictable manner in order to facilitate the free flow of trade in accordance with this Agreement.

2. Pursuant to paragraph 1, the Parties shall:

(a) simplify their customs procedures to the greatest extent possible;

(b) make use of information and communications technology in their customs procedures; and

(c) to the extent possible, provide for advance electronic submission and processing of information before the physical arrival of goods to enable the quick release of goods upon their arrival.

3. The Parties shall endeavour to improve trade facilitation by mutual consultations and exchange of information between their respective customs authorities.

ARTICLE 3.3: RELEASE OF GOODS

Each Party shall endeavour to ensure that its customs authority adopts or maintains procedures that:

(a) provide for the release of goods within a period no greater than that required to ensure compliance with its customs law;

(b) provide for advance electronic submission and processing of information before the physical arrival of goods to enable their release upon arrival; and

(c) allow goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities.

ARTICLE 3.4: RISK MANAGEMENT

The Parties shall exchange information on their respective risk management techniques used in the application of their customs procedures and shall endeavour to improve them in the framework of cooperation between their respective customs authorities. In administering customs procedures and to the extent possible, each customs authority shall focus resources on high-risk shipments of goods and facilitate the clearance, including release, of low-risk goods.

ARTICLE 3.5: TRANSPARENCY

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

2. Such laws, regulations, administrative procedures and administrative rulings mentioned in paragraph 1 shall include, *inter alia*, those pertaining to special customs procedures.

ARTICLE 3.6: PAPERLESS CUSTOMS PROCEDURES

The Parties recognize that electronic filing in trade and in transferring of trade-related information and electronic versions of documents is an alternative to paper-based methods that will significantly enhance the efficiency of trade through reduction of cost and time. Therefore, the Parties shall cooperate with a view to implementing and promoting paperless customs procedures.

ARTICLE 3.7: ADVANCE RULINGS

1. In accordance with its domestic law, each Party shall endeavour to provide, through its customs, for the expeditious issuance of written advance rulings as follows:

(a) the customs authorities in the importing Party shall issue advance rulings concerning the classification of goods;

(b) the customs authorities in the exporting Party shall issue advance rulings concerning compliance with Article 2.13 (Rules of Origin), as well as the eligibility of such goods for preferential treatment in accordance with this Agreement.

2. Each Party shall adopt or maintain procedures for the issuance of such advance rulings, including the details of the information required for processing an application for a ruling.

3. A Party may decline to issue an advance ruling if the facts and circumstances forming the basis of the advance ruling are the subject of an investigation or an administrative or judicial review. The Party that declines to issue an advance ruling shall promptly notify the requester in writing, setting forth the relevant facts and the basis for its decision to decline to issue the advance ruling.

4. Each Party shall provide that advance rulings shall be in force from their date of issuance, or another date specified in the ruling. Subject to the provisions of this Article, an advance ruling shall remain in force provided that the facts or circumstances on which the ruling is based remain unchanged, or for the period specified in the laws, regulations or in the administrative ruling.

ARTICLE 3.8: UNIFORM PROCEDURES

The Joint Committee shall agree upon uniform procedures that may be necessary for the administration, application and interpretation of this Agreement in customs matters and related topics.

ARTICLE 3.9: AUTHORIZED ECONOMIC OPERATORS

1. The Parties shall promote the implementation of the Authorized Economic Operator (hereinafter referred to as "AEO") concept according to World Customs Organization SAFE Framework of Standards.

2. Each Party shall promote the granting of AEO status to its economic operators with a view of achieving trade facilitation benefits.

3. The Parties shall endeavour to promote a mutual recognition agreement for Authorized Economic Operators (AEOs).

ARTICLE 3.10: REVIEW AND APPEAL

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

(a) at least one level of administrative review, within the same institution, independent of the official or authority responsible for the determination under review; and

(b) judicial review of the determination or decision taken at the final level of administrative review.

ARTICLE 3.11: CONFIDENTIALITY

1. A Party shall maintain confidentiality of the information provided by the other Party pursuant to this Chapter and Article 2.13 (Rules of Origin), and protect it from disclosure that could prejudice the competitive position of the person providing the information. Any violation of confidentiality shall be treated in accordance with the domestic legislation of each Party.

2. The above mentioned information shall not be disclosed without the specific permission of the Party providing such information, except to the extent that it may be

required to be disclosed for law enforcement purposes or in the course of judicial proceedings.

ARTICLE 3.12: SUBCOMMITTEE ON CUSTOMS, TRADE FACILITATION AND RULES OF ORIGIN

1. The Parties hereby establish a Subcommittee on Customs, Trade Facilitation and Rules of Origin (hereinafter referred to as "the Subcommittee") to address any customs-related issues relevant to:

(a) the uniform interpretation, application and administration of this Chapter and Article 2.13 (Rules of Origin);

(b) addressing issues on tariff classification, customs valuation and determination of the origin of goods for the purposes of this Agreement;

(c) reviewing of rules of origin;

(d) including in their bilateral dialogue regular updates on changes in their respective law; and

(e) considering any other customs-related issues, referred to it by the customs authorities of the Parties, by the Parties or by the Joint Committee.

2. The Subcommittee will meet within one year from the date of entry into force of this Agreement and shall meet thereafter as agreed upon by the Parties alternately in Israel or in Ukraine.

3. The Subcommittee shall comprise representatives of customs and, if necessary, other competent authorities from each Party and shall draw up its own rules of procedure at its first meeting.

4. The Subcommittee may formulate resolutions, recommendations or opinions, which it considers necessary and report to the Parties or to the Joint Committee.

5. The Subcommittee may draft uniform procedures, which it considers necessary, to be submitted to the Joint Committee for its approval.

CHAPTER FOUR

TRADE REMEDIES

Section A - Bilateral Safeguard Measures

ARTICLE 4.1: DEFINITIONS

1. For the purposes of this Chapter:

   (a) **competent investigating authority** means:

      (i) for Ukraine, the Ministry of Economic Development and Trade, or its successor; and

      (ii) for Israel, the Commissioner of Trade Levies, in the Ministry of Economy and Industry or the corresponding unit in the Ministry of Agriculture and Rural Development, or its successor;

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

   (c) **serious injury** means the significant overall impairment in the position of a domestic industry;

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

   (e) **transition period** means the two year period beginning on the entry into force of this Agreement, except when the tariff elimination for the good against which the action is taken occurs over a longer period of time, in which case the transition period is the period of the staged tariff elimination for that good;

   (f) **seasonal goods** are goods whose imports, over a representative period, are not spread over the whole year but concentrated on specific times of the year as a result of seasonal factors.

ARTICLE 4.2: APPLICATION OF A BILATERAL SAFEGUARD MEASURE

1. Subject to Article 4.7.2, a Party may adopt a bilateral safeguard measure:

(a) only during the transition period, subject to Article 4.3.1; and

(b) if as a result of the reduction or elimination of a duty pursuant to this Agreement, an originating good is being imported into the Party's territory in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that the imports of the originating good from that Party alone constitute a substantial cause of serious injury, or threat thereof, to a domestic industry.

2. If the conditions set out in paragraph 1 are met, a Party may to the minimum extent necessary to prevent or remedy serious injury, or threat thereof:

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

(b) increase the rate of duty on the good to a level not to exceed the lesser of:

(i) the most-favored-nation (MFN) applied rate of duty in effect at the time the measure is applied; or

(ii) the base rate as specified in the Tariffs Schedule to Annex 2- C (Tariff Elimination).

3. A Party that applies a safeguard measure may establish an import tariff quota for the product concerned under the agreed preference established in this Agreement. The import under tariff quota shall not be less than the level of a recent period which shall be the average of imports in the last three representative years for which statistics are available.

4. For the purposes of this Chapter import tariff quota means the quantity of goods that is allowed to be imported under the preferential customs duty rate, provided for under this Agreement. The amount of goods beyond the tariff quota may be imported under the rate of duty established in paragraph 2 (b) of this Article.

ARTICLE 4.3: LIMITATIONS FOR APPLYING A BILATERAL SAFEGUARD MEASURE

1. Bilateral safeguard measures may not be applied in the first year after the entry into force of this Agreement.

2. A bilateral safeguard measure shall not be applied except to the extent and for

such time as may be necessary to prevent or remedy serious injury and to facilitate adjustment and, it shall not be applied for a period exceeding two years.

However, this period may be extended to up to two additional years if the competent authorities of the importing Party determine, in conformity with the procedures specified in Article 4.4, that the measure continues to be necessary to prevent or remedy serious injury and to facilitate adjustment and that there is evidence that the industry is adjusting, provided that the total period of application of a safeguard measure, including the period of initial application and any extension thereof, shall not exceed four years. The Party maintaining the measure beyond a two year period shall progressively liberalize it at annual intervals during the period of application.

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

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

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

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

ARTICLE 4.4: INVESTIGATION PROCEDURES

1. A Party shall apply a bilateral safeguard measure only following an investigation, by the Party's competent authority in accordance with its internal legislation and Articles 3 and 4.2 (c) of the Safeguard Agreement; and to this end, Articles 3 and 4.2 (c) of the Safeguards Agreement are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. In the investigation described in paragraph 1, a Party shall comply with the requirements of Articles 4.2 (a) and 4.2 (b) of the Safeguards Agreement; and to this end, Articles 4.2 (a), (b) of the Safeguards Agreement are incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 4.5 PROVISIONAL BILATERAL SAFEGUARD MEASURES

1. In critical circumstances where delay would cause damage that would bedifficult to repair, a Party may apply a safeguard measure on a provisional basis pursuant to a preliminary determination by its competent authorities that there is clear evidence that imports of an originating good from the other Party have increased as the result of the reduction or elimination of a customs duty under this Agreement, and such imports constitute a substantial cause of serious injury, or threat thereof, to the domestic industry.

2. Before a Party applies a provisional bilateral safeguard measure it shall notify the other Party. This notification shall contain all relevant information, including preliminary evidence of serious injury or threat thereof caused by increased imports, a precise description of the product involved and the proposed measure, as well as the proposed date of introduction, expected duration. A Party shall not apply a provisional measure until at least 45 days after the date its competent authorities initiate an investigation, in order to allow interested parties to submit evidence and views regarding the imposition of a provisional measure.

3. The duration of any provisional measure shall not exceed 200 days, during which time the Party shall comply with the requirements of Article 4.4.

ARTICLE 4.6: NOTIFICATION AND CONSULTATIONS

1. A Party shall promptly notify the other Party, in writing upon:

   (a) initiating a bilateral safeguard proceeding under this Chapter;

   (b) making a finding of serious injury, or threat thereof, caused by increased imports under Article 4.2; and

   (c) taking a decision to apply or extend provisional or final bilateral safeguard measure.

2. A Party shall provide to the other Party a copy of the public version of the report of its competent investigating authority under Article 4.4.1.

3. If a Party whose good is subject to a bilateral safeguard proceeding under this Chapter, requests within 10 days from receipt of a notification as specified in paragraph 1 (b) to hold consultations, the Party conducting that proceeding shall enter into consultations with a view to finding an appropriate and mutually acceptable solution. If the Parties fail to find mutually acceptable solution within 30 days of the notification

being made, the Party may apply the appropriate provisional or final measures.

Section B - Global Safeguard Measures

ARTICLE 4.7: IMPOSITION OF GLOBAL SAFEGUARD MEASURES

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

2. A Party may not apply, with respect to the same good, at the same time:

   (a) a bilateral safeguard measure; and

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

3. For imports of goods originating from the territory of one of the Parties to the territory of the other Party that are not a substantial cause of serious injury or threat thereof to the domestic industry producing like or directly competing goods of the importing Party, the safeguard measures with respect to imports of such goods shall not apply.

4. In determining whether imports from the other Party are a substantial cause of serious injury or threat thereof, the competent investigating authority shall consider such factors as the change in the import share of the other Party and the level and change in the level of imports of the other Party. In this regard, imports from the other Party normally shall not be deemed to be a substantial cause of serious injury or threat thereof, if the growth rate of imports from that Party during the period in which the injurious increase in imports occurred is appreciably lower than the growth rate of total imports from all sources over the same period.

5. The following conditions and limitations shall apply to a proceeding that may result in global safeguard measures under this Article:

   (a) the Party initiating a safeguard investigation shall notify the other Party of such initiation by sending a notification to the other Party, if the latter has a substantial economic interest;

   (b) for the purposes of this Article, a Party shall be considered as having a

substantial economic interest when it is among the five largest suppliers of the imported product during the most recent three-year period, measured in terms of absolute, volume or value;

(c) before applying provisional measures and before applying final measures, upon request of the other Party, the Party initiating a safeguard measure shall immediately provide written notification of all the relevant information leading to the intended imposition of safeguard measures, including when relevant, the provisional findings and the final findings of the investigation as well as offer the possibility for consultations to the other Party; and

(d) where, as a result of a global safeguard measure, a safeguard duty is imposed, the margin of preference under this Agreement shall be maintained.

Section C - Antidumping and Countervailing Measures

ARTICLE 4.8: ANTIDUMPING AND COUNTERVAILING MEASURES

1. The Parties agree that anti-dumping and countervailing measures should be used in full compliance with Article VI of GATT 1994, the Anti- dumping Agreement and the Subsidies Agreement.

2. The proceedings shall be based on a fair and transparent system. In furtherance of this, as soon as practically possible after any imposition of provisional measures and before the final decision is taken, the Parties shall ensure full and meaningful disclosure of all essential facts and considerations which form the basis for the decision to apply definitive measures without prejudice to Article 6.5 of the Anti- dumping Agreement or Article 12.4 of the Subsidies Agreement as relevant. Disclosures shall be made in writing and allow interested parties at least 10 days to respond with comments.

3. All interested parties shall be granted the right to be heard in order to express their views during anti-dumping and anti-subsidy investigations in accordance with the conditions of each Party's internal legislation.

4. Prior to the imposition of definitive measures, the exporting Party within 10 days from receipt of the disclosure as specified in paragraph 2, may request consultations with a view of seeking a solution acceptable to the Parties. If the Parties are unable to reach a mutually acceptable solution within 25 days of the disclosure being sent, the importing Party may apply the appropriate definitive measures.

5. Should a Party decide to impose provisional or definitive anti-dumping or countervailing duty, the amount of such duty shall not exceed the margin of dumping or countervailable subsidies, but it should be less than the margin if such a lesser duty would be adequate to remove the injury to the domestic industry.

6. The Party whose goods are subject to anti-dumping or countervailing measures imposed by the other Party has the right to request consultations in order to discuss the impact of these measures on bilateral trade.

7. Anti-dumping or countervailing measures may not be applied by a Party where, on the basis of the information made available during the investigation, it can clearly be concluded that it is not in the public interest to apply such measures. The public interest determination shall be based on appreciation of all the various interests taken as a whole, including the interests of the domestic industry, users, consumers and importers, to the extent that they have provided relevant information to the competent authorities.

Section D - Other Provisions

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

CHAPTER FIVE

SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 5.1: OBJECTIVES

The objectives of this Chapter are to protect human, animal and plant life or health in the territory of each Party while facilitating trade and ensuring that the Parties' sanitary or phytosanitary (hereinafter referred to as "SPS") measures do not create unjustified barriers to trade.

ARTICLE 5.2: SCOPE

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

ARTICLE 5.3: GENERAL PROVISIONS

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

ARTICLE 5.4: SPS CONTACT POINTS

1. For the purpose of facilitating communication on SPS trade-related matters, the Parties agree to establish Contact Points as follows:

   (a) for Ukraine, Ministry of Economic Development and Trade of Ukraine, or its successor; and

   (b) for Israel, the Ministry of Economy and Industry, Foreign Trade Administration, or its successor.

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

ARTICLE 5.5: COOPERATION

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

(a) communicate on SPS matters with a view to enhancing regulatory cooperation; and

(b) promote cooperation on matters related to the implementation of the SPS Agreement, and in relevant international standard-setting bodies such as the *Codex Alimentarius* Commission, the International Plant Protection Convention (IPPC), and the World Organisation for Animal Health (OIE), as appropriate.

ARTICLE 5.6: EXCHANGE OF INFORMATION

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

2. The Parties shall exchange information:

(a) on results of import checks in case of rejected or non-compliant consignments, including the epidemiological findings, scientific basis and risk assessment basis concerning such rejections; and

(b) upon request, the results of audits and on-site verification procedures as they relate to trade between the Parties.

ARTICLE 5.7: TECHNICAL CONSULTATIONS

1. The Parties will work expeditiously to address any specific SPS trade-related issue and commit to carry out the necessary technical level discussions in order to resolve any such issue.

2. At any time, a Party may raise a specific SPS issue with the other Party through the Competent Authorities, as referred to in Annex 5-A of this Chapter, and may request additional information related to the issue. The responding Party shall respond to the exporting Party's request in a timely manner.

3. If an issue is not resolved through the information exchanged under Article 5.6 or paragraph 2 of this Article, upon request of either Party through its Contact Point, the Parties shall meet in a timely manner to discuss specific SPS issues, to avoid a disruption in trade and/or reach a mutually acceptable solution. The Parties shall meet either in person or using available technological means. If travel is required, the Party requesting the meeting shall travel to the territory of the other Party in order to discuss specific SPS issues, unless otherwise agreed.

ARTICLE 5.8: EMERGENCY MEASURES

1. Emergency measures imposed by an importing Party shall be notified to the other Party within 24 hours of the decision to implement them, and, upon request of the other Party, consultations between the competent authorities shall be held within 10 days of the notification. The Parties shall consider any information provided through such consultations.

2. The importing Party shall consider, in a timely manner, information provided by the exporting Party when making decisions with respect to consignments that, at the time of adoption of emergency measures, are being transported between the Parties.

ARTICLE 5.9: OVERSIGHT BODY

After making every effort to resolve an SPS issue under Article 5.7, either Party may bring the SPS issue to the Subcommittee on Trade in Goods, established in accordance with Article 2.15 (Subcommittee on Trade in Goods), for further consideration, as appropriate.

Annex 5-A

Competent Authorities

For the purposes of this Chapter, Competent Authority means:

(a) for Ukraine:

State Service of Ukraine on Food Safety and Consumer Protection – Ministry of Agrarian Policy and Food of Ukraine, or its successor; and

(b) for the State of Israel:

(i) Plant Protection and Inspection Services ("PPIS"), Ministry of Agriculture and Rural Development, or its successor;

(ii) Veterinary Services & Animal Health ("IVSAH"), Ministry of Agriculture and Rural Development, or its successor;

(iii) The National Food Service – Ministry of Health, or its successor;

(iv) The Institute for supervision and standards of medicinal products of the Ministry of Health – Ministry of Health, or its successor.

CHAPTER SIX

TECHNICAL BARRIERS TO TRADE

ARTICLE 6.1: OBJECTIVES

1. The objectives of this Chapter are:

(a) to increase and facilitate trade between the Parties;

(b) to ensure that standards, technical regulations, and conformity assessment procedures and their application do not create unnecessary obstacles to trade; and

(c) to enhance joint bilateral cooperation, between the Parties.

ARTICLE 6.2: GENERAL PROVISIONS

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

ARTICLE 6.3: DEFINITIONS

For the purposes of this Chapter the definitions shall be those contained in Annex 1 of the TBT Agreement.

ARTICLE 6.4: SCOPE OF APPLICATION

1. This Chapter shall apply to the preparation, adoption and application of technical regulations, standards and conformity assessment procedures, including any amendment or addition thereto, that may affect trade in goods between the Parties.

2. Notwithstanding paragraph 1, this Chapter shall not apply to:

(a) a purchasing specification prepared by a governmental body for production or consumption requirements of a governmental body; or

(b) a sanitary or phytosanitary measure as defined in Annex A of the SPS Agreement

ARTICLE 6.5: SUBCOMMITTEE ON TECHNICAL BARRIERS TO TRADE

1. The Parties hereby establish a Subcommittee on Technical Barriers to Trade, (hereinafter referred to as "the Subcommittee") comprising representatives of each Party. The Subcommittee may meet in person, via teleconference, via video-conference or through any other means, as agreed by the Parties.

2. The functions of the Subcommittee shall include:

(a) monitoring the implementation and administration of this Chapter;

(b) enhancing cooperation in the development and improvement of standards, technical regulations, and conformity assessment procedures;

(c) ensuring appropriate steps are taken promptly to address any issue that a Party may raise related to the development, adoption, application, or enforcement of technical regulations or conformity assessment procedures;

(d) considering any sector-specific proposal a Party makes for further cooperation between regulatory authorities, accreditation bodies or conformity assessment bodies, including, where appropriate, between governmental and non-governmental conformity assessment bodies located in each Party's territory;

(e) considering a request that a Party recognises the results of conformity assessment procedures conducted by bodies in the other Party's territory, including a request for the negotiation of an agreement, in a sector proposed by that other Party;

(f) exchanging information on developments in non-governmental, regional, and multilateral fora engaged in activities related to standards, technical regulations, and conformity assessment procedures;

(g) on the request of the other Party, promptly facilitating technical discussions on any matter arising under this Chapter, which shall be without prejudice to the rights and obligations of the Parties under Chapter 10 (Dispute Settlement);

(h) taking any other steps the Parties consider will enhance their implementation of the TBT Agreement and facilitate trade in goods between them;

(i) reviewing this Chapter in light of any developments under the TBT Agreement, and developing recommendations for amendments to the Chapter, in light of those developments; and

(j) establishing working groups to undertake specific tasks under this Chapter.

3. The Subcommittee shall meet within one year of entry into force of this Agreement, or at times mutually agreed by the Parties.

ARTICLE 6.6: COOPERATION AND TRADE FACILITATION

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

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

3. These initiatives may include:

(a) cooperation on regulatory issues, such as transparency, the promotion and application of good regulatory practices, harmonization with international standards, and use of accreditation to qualify conformity assessment bodies;

(b) technical assistance and cooperation regarding metrology;

(c) initiatives to develop common views on good regulatory practices such as transparency, the use of equivalency and regulatory impact assessment; and

(d) the use of mechanisms to facilitate the recognition of the results of conformity assessment procedures conducted in the other Party's territory.

4. The Subcommittee may define priority sectors for cooperation.

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

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

ARTICLE 6.7: INTERNATIONAL STANDARDS

1. The Parties shall:

(a) apply the Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 of the Agreement adopted [1] by the WTO Committee on Technical Barriers to Trade (hereinafter referred to as the "TBT Committee"), when determining whether an international standard; guide or recommendation exists within the meaning of Articles 2 and 5 and the scope of Annex 3 of the TBT Agreement adopted by the TBT Committee;

(b) use relevant international standards, guidelines and recommendations as provided in paragraphs 2.4 and 5.4 of Articles 2 and 5 of the TBT Agreement as a basis for their technical regulations and conformity assessment procedures.

2. The Parties shall:

(a) encourage national standardization bodies to cooperate with the relevant standardization bodies of the other Party in international standardization activities;

(b) exchange information on their standardization processes as well as on the extent they use international, regional or sub-regional standards as the basis for national standards development;

[1] G/TBT/1/Rev.10, 9 June 2011 Annex 2 to part I (original Decision: January 1st, 1995) or its legal successor document adopted by the TBT Committee

(c) exchange general information on cooperation agreements concluded on standardization matters with a non-Party.

ARTICLE 6.8: TECHNICAL REGULATIONS

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

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

ARTICLE 6.9: CONFORMITY ASSESSMENT AND ACCREDITATION

1. The Parties recognise the possibility of applying a broad range of mechanisms to facilitate acceptance of the results of conformity assessment procedures of the other Party.

Accordingly, the Parties may agree:

(a) on the acceptance of a suppliers' declaration of conformity;

(b) on the acceptance of the results of the conformity assessment procedures of the other Party, including the acceptance of those regarding specific technical regulations of the other Party;

(c) that a conformity assessment body located in a Party's territory may enter into voluntary recognition agreements with a conformity assessment body located in the other Party's territory; and

(d) on the recognition of designation of conformity assessment bodies located in the other Party's territory, whose results of conformity assessment are accepted by the Party.

2. To that end, the Parties shall *inter alia*:

(a) exchange information on the range of mechanisms of conformity assessment procedures recognition used by them;

(b) consider initiating negotiations in order to conclude agreements to facilitate the acceptance in their territories of the results of conformity assessment procedures conducted by bodies located in the territory of the other Party, when it is in the interest of the Parties and it is economically justified; and

(c) encourage their conformity assessment bodies to take part in agreements with the conformity assessment bodies of the other Party for the recognition of conformity assessment results.

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

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

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

ARTICLE 6.10: TRANSPARENCY

1. Upon request of the other Party, a Party shall provide an English summary of the technical regulation or conformity assessment procedure that may affect the trade in goods between the Parties.

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

3. Each Party shall electronically notify the other Party's TBT Enquiry Point upon submission of its notification to the WTO Central Registry of Notifications in accordance with the TBT Agreement.

4. Each Party shall ensure that all adopted technical regulations and conformity assessment procedures are publicly available.

ARTICLE 6.11: INFORMATION EXCHANGE

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

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

ARTICLE 6.12: BORDER CONTROL AND MARKET SURVEILLANCE

1. The Parties shall:

(a) exchange information and experiences on their border control and market surveillance activities, except in those cases in which the information is confidential; and

(b) ensure that border control and market surveillance activities are undertaken by the competent authorities, to which end these authorities may use accredited, designated or delegated bodies, avoiding conflicts of interest between those bodies and the economic operators subject to control or supervision.

ARTICLE 6.13: CONTACT POINTS

1. For the purposes of this Chapter the contact points are:

   (a) for Israel, the Foreign Trade Administration, Ministry of Economy and Industry, or its successor; and

   (b) for Ukraine, the Ministry of Economic Development and Trade, or its successor.

CHAPTER SEVEN

TRADE AND ENVIRONMENT

ARTICLE 7.1: CONTEXT

1. The Parties recognise that each Party has sovereign rights to conserve and protect its environment, and affirm their environmental obligations under their law, as well as their international obligations under multilateral environmental agreements to which they are a party.

2. The Parties recognise the mutual supportiveness between trade and environmental policies and the need to implement this Agreement in a manner consistent with environmental protection and conservation.

3. Each Party recognises that it is inappropriate to establish or use its environmental laws or other measures in a manner that would constitute a disguised restriction on trade between the Parties.

ARTICLE 7.2: DEFINITIONS

1. For the purposes of this Chapter:

environmental laws means any law or statutory or regulatory provision, or other legally binding measure of a Party, the primary purpose of which is the protection of the environment, or the prevention of a danger to human life or health, through:

(a) the prevention, abatement or control of the release, discharge or emission of pollutants or environmental contaminants;

(b) the management of chemicals and waste and the dissemination of information related thereto; or

(c) the conservation and protection of wild flora or wild fauna, including endangered species, their habitat and protected natural areas;

but does not include any measure directly related to worker health and safety, nor any measure of which the primary purpose is managing the commercial harvest or exploitation of natural resources;

Review Panel means a panel established pursuant to Article 7.19.8.

2. For the purposes of this Chapter, a Party has not failed to "**effectively enforce its environmental laws**" in a particular case if the action or inaction in question by an agency or an official of that Party:

(a) reflects a reasonable exercise of discretion in respect of investigatory, prosecutorial, regulatory or compliance matters; or

(b) results from a *bona fide* decision to allocate resources to enforcement in respect of other environmental matters determined to have higher priority.

ARTICLE 7.3: LEVELS OF PROTECTION

Recognising the right of each Party to set its own environmental priorities, to establish its own levels of environmental protection, and to adopt or modify its environmental laws and policies accordingly, each Party shall strive to ensure that those laws and policies provide for and encourage high levels of environmental protection and shall strive to continue to improve them and their underlying levels of protection.

ARTICLE 7.4: COMPLIANCE WITH AND ENFORCEMENT OF ENVIRONMENTAL LAWS

1. A Party shall not fail to effectively enforce its environmental laws, through a sustained or recurring course of action or inaction, in a manner that affects trade or investment between the Parties.

2. Each Party recognises that it is inappropriate to encourage trade or investment by weakening or reducing the level of protection afforded in its environmental laws. Accordingly, a Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental laws, in a manner that weakens or reduces the protections afforded in those laws, as an encouragement for trade or investment.

3. Each Party shall ensure that violations of its environmental laws can be remedied or sanctioned under its law through judicial, quasi-judicial or administrative proceedings.

ARTICLE 7.5: PRIVATE ACCESS TO REMEDIES

1. Each Party shall ensure that an interested person may request the Party's competent authorities to investigate an alleged violation of its environmental laws and shall give such a request due consideration, in accordance with its law.

2. Each Party shall provide a person with a legally recognised interest under its laws in a particular matter appropriate access to administrative, quasi-judicial or judicial proceedings for the enforcement of the Party's environmental laws, and to seek remedies for a violation of those laws.

ARTICLE 7.6: PROCEDURAL GUARANTEES

1. Each Party shall ensure that its administrative, quasi-judicial and judicial proceedings referred to in Article 7.5.2 are fair, equitable and transparent and to this end shall ensure that a proceeding:

(a) is conducted by an impartial and independent natural person who does not have an interest in the outcome of the matter;

(b) is open to the public, except if the law or the administration of justice requires otherwise;

(c) entitles the parties to a proceeding to support or defend their respective positions and to present information or evidence; and

(d) is, within the framework of its legal system, not unnecessarily complicated and does not entail an unreasonable fee or time limit or an unwarranted delay.

2. Each Party shall provide that a final decision on the merits of the case in a proceeding is:

(a) in writing and, if appropriate, states the reasons on which the decision is based;

(b) made available within a reasonable time period to the parties to a proceeding and, in accordance with its law, to the public; and

(c) based on information or evidence presented by the parties to a proceeding.

3. Each Party shall also provide, as appropriate, that parties to a proceeding have the right, in accordance with its law, to seek review and, if warranted, correction or redetermination, of a final decision in a proceeding.

4. Each Party shall ensure that a tribunal that conducts or reviews a proceeding is impartial and independent, and does not have any substantial interest in the outcome of the matter.

ARTICLE 7.7: TRANSPARENCY

Each Party shall promote public awareness of its environmental laws by ensuring that relevant information is available to the public regarding its environmental laws, and procedures regarding environmental law enforcement and compliance.

ARTICLE 7.8: CORPORATE SOCIAL RESPONSIBILITY

Recognising the substantial benefits brought by international trade and investment, each Party shall encourage voluntary best practices of corporate social responsibility by enterprises operating within its territory or subject to its jurisdiction to strengthen coherence between economic and environmental objectives.

ARTICLE 7.9: MEASURES TO ENHANCE ENVIRONMENTAL PERFORMANCE

1. The Parties recognise that flexible, voluntary and incentive-based mechanisms can contribute to the achievement and maintenance of a high level of environmental protection, complementing regulatory measures under environmental laws. In accordance with its law and policy, each Party shall encourage the development and use of such mechanisms.

2. In accordance with its law and policy, each Party shall encourage the development, establishment, maintenance or improvement of performance goals and standards used in measuring environmental performance.

ARTICLE 7.10: NATIONAL CONTACT POINT

Each Party shall designate an official within the following ministries to serve as its National Contact Point:

(a) for Ukraine, the Ministry of Ecology and Natural Resources or its successor; and

(b) for Israel, the Ministry of Environmental Protection or its successor.

ARTICLE 7.11: PUBLIC INFORMATION

1. An interested person residing or established in either Party may submit a written question to either Party through its National Contact Point, indicating that the question is being submitted pursuant to this Article regarding a Party's obligations under this Chapter.

2. The Party receiving the question shall acknowledge the question in writing, forward the question to the appropriate authority and provide a response in a timely manner.

3. If an interested person submits a question to a Party that relates to the obligations of the other Party, the Party that receives the question shall in a timely manner provide to the other Party a copy of the question and its response referring the question to the other Party.

4. Each Party shall, in a timely manner, make publicly available all of the questions it receives and its responses to those questions.

ARTICLE 7.12: PARTY-TO-PARTY INFORMATION EXCHANGE

A Party may notify the other Party of, and provide to that Party, any credible information regarding a possible violation of, or failure to effectively enforce its environmental laws. This information shall be specific and sufficient to allow the other Party to inquire into the matter. The notified Party shall take appropriate steps to make inquiries, in accordance with its law, and to respond to the other Party.

ARTICLE 7.13: COOPERATIVE ACTIVITIES

1. The Parties recognise that co-operation is an effective way to achieve the objectives and fulfill the obligations of this Chapter. Accordingly, and subject to the availability of resources, the Parties may develop programs of cooperative activities based on their respective priorities.

2. The Parties shall strive to strengthen their cooperation on environmental issues in other bilateral, regional and multilateral forums in which they participate.

3. Each Party may involve the public, interested stakeholders and any other entity that the Party deems appropriate in activities undertaken pursuant to this Article.

ARTICLE 7.14: SUBCOMMITTEE ON TRADE AND ENVIRONMENT

1. The Parties hereby establish a Subcommittee on Trade and Environment (hereinafter referred to as "the Subcommittee"), composed of senior representatives of each Party. The Subcommittee shall:

(a) oversee and review the implementation of this Chapter, including any cooperative activity undertaken by the Parties;

(b) discuss any matter of common interest; and

(c) perform any other function the Parties may decide.

2. The Subcommittee shall meet for the first time no later than one year after the date of entry into force of this Agreement and subsequently as mutually decided.

3. The Subcommittee shall prepare a summary record of each meeting unless the Subcommittee decides otherwise.

4. The Subcommittee may prepare reports and recommendations on any activity or action related to the implementation of this Chapter. A copy of these reports and recommendations shall be submitted to the Joint Committee, for its consideration.

5. Summary records, reports and recommendations of the Subcommittee shall be made available to the public, unless otherwise decided by the Parties.

ARTICLE 7.15: REVIEW

1. The Subcommittee shall consider undertaking a review of the implementation of this Chapter, with a view to improving its operation and effectiveness, within five years of the date of the entry into force of this Agreement, and periodically thereafter as mutually decided.

2. The Subcommittee may provide for the participation of the public and independent experts in the review process.

3. The Parties shall make the results of the review available to the public.

ARTICLE 7.16: PUBLIC ENGAGEMENT

1. Each Party shall inform the public of activities, including meetings of the Parties and cooperative activities, undertaken to implement this Chapter.

2. Each Party shall endeavour to engage the public in activities undertaken to implement this Chapter.

ARTICLE 7.17: RELATION TO ENVIRONMENTAL AGREEMENTS

This Chapter does not affect the existing rights and obligations of either Party under international environmental agreements.

ARTICLE 7.18: PROTECTION OF CONFIDENTIAL INFORMATION

Each Party shall ensure that information designated by either Party for treatment as confidential information, in particular personal or commercial information, is protected.

ARTICLE 7.19: DISPUTE RESOLUTION

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Chapter and shall make every attempt through consultations, the exchange of information and, if appropriate, cooperation to address any matter that might affect the operation of this Chapter.

2. A Party may request consultations with the other Party through the Subcommittee regarding any matter arising under this Chapter by delivering a written request to the National Contact Point of the other Party, with a copy to the Agreement Coordinator of the other Party. The request shall present the matter clearly, identify the question at issue and provide a brief summary of any claim under this Chapter. Consultations shall commence promptly after a Party delivers a request for consultations to the National Contact Point of the other Party.

3. During the consultations, each Party shall provide the other Party with sufficient, reasonably available information, to allow a full examination of the matters raised.

4. Consultations, including documents prepared specifically for the purposes of these consultations, are confidential and without prejudice to the rights of the Parties in any proceedings.

5. Consultations may be held in person or by any other means that the Parties decide. If consultations are held in person, they shall take place in the territory of the Party that has received the request, unless the Parties decide otherwise.

6. For greater certainty, if relevant, a Party may seek information or views of any person, organization or body that may contribute to the examination of the matter at issue.

7. If the Parties fail to resolve the matter pursuant to paragraph 2, the requesting Party may request consultations with the other Party at the Ministerial level regarding any matter under this Chapter by delivering a written request to the National Contact Point of the other Party. The Party receiving the request shall respond expeditiously. The Ministerial consultations, including documents prepared specifically for the purposes of these consultations, are confidential and without prejudice to the rights of the Parties in any proceedings. Ministerial consultations shall be concluded within 120 days of a Party's receipt of the request unless the Parties decide otherwise.

8. Following the conclusion of the Ministerial consultations, the requesting Party may request that a Review Panel be convened to examine the matter if it considers that the consultations have not satisfactorily addressed the matter by delivering a written request to the National Contact Point of the other Party. The requesting Party shall also deliver a copy of the request to the Agreement Coordinator of the other Party.

9. A Review Panel shall be established upon receipt of a request referred to in paragraph 8 by a National Contact Point. Unless the Parties decide otherwise, the terms of reference of a Review Panel shall be: *"*To examine, in light of the relevant provisions of Chapter 7 (Trade and Environment) of the Free Trade Agreement between the Cabinet of Ministers of Ukraine and the Government of the State of Israel, the matter referred to in the request for the establishment of the Review Panel, and to issue a report making recommendations for the resolution of the matter.*"*

10. Subject to the provisions of this Article, the Parties shall apply, *mutatis mutandis* Annex 10-A (Rules of Procedure) and Annex 10-B (Code of Conduct), unless the Parties decide otherwise. If there is an inconsistency between those Annexes and this Article, the provisions of this Article shall prevail.

11. A Review Panel shall be composed of two panellists and a chair.

12. For the purposes of selecting the panellists, the following procedures shall apply:

(a) within 30 days of a Party's receipt of a request to establish a Review Panel, each Party shall select one panellist; and

(b) if one Party fails to select a panellist within the period referred to in subparagraph (a), the other Party shall select that panellist from among qualified candidates who are nationals of the Party that failed to select its panellist.

13. For the purposes of selecting the chair, the following procedures shall apply:

(a) the Party that is the subject of the request shall provide the requesting Party with the names of three qualified candidates who are not nationals of either Party. These names shall be provided within 30 days of a Party's receipt of the request to establish a Review Panel;

(b) the requesting Party may choose one of the three candidates referred to in subparagraph (a) to be the chair or, if no names were provided or none of the candidates are acceptable, provide the Party that is the subject of the request with the names of three candidates who are qualified to be the chair and who are not nationals of either Party. Those names shall be provided no later than seven days after receipt of the names under subparagraph (a) or 37 days after the receipt of the request referred to in paragraph 8 for the establishment of a Review Panel, whichever is earlier; and

(c) the Party that is the subject of the request may choose one of the three candidates to be the chair within seven days of receiving their names under subparagraph (b), failing which the chair shall be selected by the requesting Party by lot from the six candidates proposed by the Parties pursuant to subparagraphs (a) and (b) within a further 7 days.

14. A Review Panel shall be composed of individuals with specialized knowledge or expertise in environmental law, issues addressed in this Chapter and, to the extent possible, the settlement of disputes arising under international agreements. Members of a Review Panel shall be independent, shall serve in their individual capacities, shall not take instructions from any organization or government with regard to issues related to the matter at stake and shall not be affiliated with the government of any Party. A Review

Panel shall be composed of individuals who are nationals of a state having diplomatic relations with both Parties.

15. Unless the Parties decide otherwise, a Review Panel shall perform its functions in accordance with Annex 10-A (Rules of Procedure) and Annex 10-B (Code of Conduct), with such changes as may be necessary, and shall ensure that:

(a) each Party has the opportunity to provide written and oral submissions to the Review Panel; and

(b) at the request of either Party, or on its own initiative, the Review Panel may seek, as appropriate, information and technical advice from any person or body with relevant expertise. The Parties shall have an opportunity to comment on any information or advice so obtained;

16. A Review Panel shall issue to the Parties an interim report and a final report, each setting out the findings of fact, its determinations as to whether the responding Party has complied with its obligations under this Chapter and the rationale behind any findings, determinations, and recommendations that it makes.

17. A Review Panel shall submit initial report to the Parties within 120 days of the selection of the last panellist or within another time period decided by the Parties. The Parties may provide comments to the Review Panel on the initial report within 45 days of its submission. After considering these comments, the Review Panel may reconsider its report or make any further examination it considers appropriate.

18. A Review Panel shall submit the final report to the Parties within 60 days of the submission of the initial report. Unless the Parties decide otherwise, the final report of a Review Panel may be published by either Party 30 days after it is submitted to the Parties.

19. If in the final report a Review Panel determines that a Party has not complied with its obligations under this Chapter, the Parties shall, within three months of the submission of that final report and taking into account that report, endeavour to consent to a mutually satisfactory action plan to address the matter. Any action plan developed by the Parties shall be made public within 30 days of its development, unless otherwise decided by the Parties. The Party undertaking the action plan shall submit a copy of it to the Agreement Coordinator of the other Party.

20. If the Parties reach a mutually agreed solution to a matter at any point after a Review Panel has been established, they shall notify the Review Panel of the solution. Upon the Review Panel's receipt of this notification, the panel procedure shall be terminated.

21. At any time, the Parties may have recourse to means of alternative dispute resolution to resolve a matter, including good offices, conciliation, or mediation.

22. Proceedings involving good offices, conciliation and mediation, including documents prepared specifically for the purposes of these proceedings, are confidential and without prejudice to the rights of the Parties in any proceedings.

23. Unless the Parties decide otherwise, the expenses of a Review Panel, including the remuneration of the panellists, shall be borne in equal shares by the Parties, in accordance with Annex 10-A (Rules of Procedure).

ARTICLE 7.20: EXTENT OF OBLIGATIONS

For Israel, this Chapter applies to the State of Israel and when used in a geographical sense includes the territorial sea as well as the exclusive economic zone and the continental shelf over which the State of Israel, in accordance with international law and the laws of the State of Israel, exercises its sovereign rights or jurisdiction.

CHAPTER EIGHT

TRANSPARANCY

ARTICLE 8.1: PUBLICATION

The Parties shall publish or otherwise make publicly available their laws, regulations, judicial decisions, administrative rulings of general application and their respective international agreements, that may affect the operation of this Agreement.

ARTICLE 8.2: NOTIFICATION AND PROVISION OF INFORMATION

1. The Parties shall promptly respond to specific questions and provide, upon request, information to each other, on matters referred to in Article 8.1.

2. To the extent possible, a Party shall notify the other Party of a proposed measure or of an amendment to an existing measure, that the Party considers might materially affect the operation of this Agreement or substantially affect the other Party's interests under this Agreement.

3. Upon request of the other Party, a Party shall promptly provide information and respond, to the extent possible, to questions pertaining to an existing or proposed measure, even if the Party was previously notified of that measure.

4. Any notification, request or information under this Article shall be provided to the other Party through the Agreement Coordinators.

5. A notification or information provided pursuant to this Article is without prejudice as to whether the measure is consistent with this Agreement.

ARTICLE 8.3: ADMINISTRATIVE PROCEEDINGS

In order to ensure that a measure of general application affecting a matter covered by this Agreement is applied in a consistent, impartial and reasonable manner, a Party shall ensure that, in an administrative proceeding involving a specific case, if a measure referred to in Article 8.1 is applied to a particular person or good of the other Party:

(a) whenever possible, a person of the other Party who is directly affected by a proceeding is given reasonable notice, in accordance with domestic procedures, when that proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated, and a general description of the issues;

(b) a person referred to in subparagraph (a) is afforded a reasonable opportunity to present facts and arguments in support of the person's position prior to a final administrative action when permitted by time, the nature of the proceeding, and the public interest; and

(c) the administrative procedure is conducted in accordance with the law of that Party.

CHAPTER NINE

ADMINISTRATION OF THE AGREEMENT

ARTICLE 9.1: ESTABLISHMENT OF THE JOINT COMMITTEE

1. The Parties hereby establish a Joint Committee, comprising of representatives from both Parties.

2. The Joint Committee shall be co-chaired by the Minister of Economic Development and Trade for Ukraine and the Minister of Economy and Industry for Israel, or their respective successors or designees.

ARTICLE 9.2: PROCEDURES OF THE JOINT COMMITTEE

1. The Joint Committee shall convene when necessary upon a written request of either Party.

2. The Joint Committee shall convene alternately in Kyiv and Jerusalem, unless the Parties agree otherwise.

3. All decisions of the Joint Committee shall be taken by mutual consent.

4. The Joint Committee shall determine its own rules of procedure, as well as its meeting schedule and the agenda for its meetings.

ARTICLE 9.3: FUNCTIONS OF THE JOINT COMMITTEE

1. The Joint Committee shall:

   (a) be responsible for the administration of this Agreement and shall review all aspects of trade related issues;

   (b) ensure the proper implementation, facilitation and operation of this Agreement and the application of its provisions, and consider other ways to attain its general objectives;

   (c) evaluate the results obtained from the application of this Agreement, in particular the evolution of trade and economic relations between the Parties;

(d) supervise the work of all subcommittees, working groups and other bodies, established under this Agreement, and recommend any necessary action;

(e) evaluate and adopt decisions as envisaged in this Agreement regarding any subject matter which is referred to it by any subcommittee, working group and other body established under this Agreement;

(f) supervise the further development of this Agreement;

(g) keep under review the possibility of further removal of obstacles to trade between the Parties;

(h) without prejudice to Chapter 10 (Dispute Settlement) and other provisions of this Agreement, explore the most appropriate way to prevent or solve any difficulty that may arise in relation to issues covered by this Agreement; and

(i) consider any other matters of interest relating to this Agreement.

2. The Joint Committee may:

(a) agree to the initiation of negotiations, with the aim of deepening the liberalisation already achieved in sectors covered by this Agreement;

(b) recommend to the Parties to adopt any amendment or modification to the provisions of this Agreement. Any such amendment shall enter into force in accordance with the procedure set forth in Article 12.2 (Amendments);

(c) modify by a Joint Committee decision:

(i) the Tariffs Schedules in Annex 2-C (Tariff Elimination), with the purposes of adding one or more goods excluded in the Schedule of a Party;

(ii) the phase-out periods established in the Tariffs Schedules in Annex 2-C (Tariff Elimination);

(iii) any matter concerning Article 2.13 (Rules of Origin); and

(iv) the Rules of Procedure for Arbitral Tribunal Proceedings established in Annex 10-A and the Code of Conduct established in Annex 10-B.

Each Party shall implement, subject to the completion of its applicable internal legal procedures and upon notification of such, any modification referred to in this subparagraph, within such period as the Parties may agree;

(d) adopt interpretations of the provisions of this Agreement. Such interpretations shall be taken into consideration by an Arbitral Tribunal established under Chapter 10 (Dispute Settlement). However, interpretations adopted by the Joint Committee shall not constitute an amendment or modification to the provisions of this Agreement; and

(e) take such other action in the exercise of its functions as the Parties may agree.

3. For the purposes of this Article, the Parties shall exchange information and at the request of either Party, shall hold consultations within the Joint Committee.

ARTICLE 9.4: ESTABLISHMENT OF SUBCOMMITTEES, WORKING GROUPS AND OTHER BODIES

1. The Parties established the following subcommittees:

(a) Subcommittee on Trade in Goods;

(b) Subcommittee on Customs, Trade Facilitation and Rules of Origin;

(c) Subcommittee on Technical Barriers to Trade; and

(d) Subcommittee on Trade and Environment.

2. The Joint Committee may establish and delegate responsibilities to other subcommittees, working groups, or any other bodies comprised of representatives from both Parties in order to assist it in the performance of its tasks. For that purpose, the Joint Committee shall determine the composition, duties and rules of procedure of such subcommittees, working groups or other bodies.

3. The subcommittees, working groups and other bodies shall inform the Joint Committee, sufficiently in advance, of their schedule of meetings and of the agenda of those meetings. The subcommittees, working groups and other bodies, shall submit summaries of their meetings to the Joint Committee.

ARTICLE 9.5: AGREEMENT COORDINATORS

1. Each Party shall appoint an Agreement Coordinator as follows:

   (a) for Ukraine, Department on Market Access and Cooperation with the WTO, Ministry of Economic Development and Trade, or its successor; and

   (b) for Israel, Bilateral Agreements Department, Foreign Trade Administration, Ministry of Economy and Industry, or its successor.

2. The Agreement Coordinators shall:

   (a) work jointly to develop agendas;

   (b) make other preparations for the Joint Committee meetings;

   (c) follow-up on the Joint Committee's decisions as appropriate;

   (d) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided for in this Agreement;

   (e) receive and respond to any notifications, requests and information submitted under this Agreement, unless otherwise provided for in this Agreement; and

   (f) assist the Joint Committee in any other matter referred to them by the Joint Committee.

3. The Agreement Coordinators may meet when necessary including by any technologological means available.

CHAPTER TEN

DISPUTE SETTLEMENT

ARTICLE 10.1: OBJECTIVE

1. The objective of this Chapter is to provide an effective and efficient dispute settlement process between the Parties regarding their rights and obligations under this Agreement.

2. The Parties shall endeavour to agree regarding the interpretation and application of this Agreement and shall make all efforts through cooperation, consultation, or other means, to reach a mutually agreed solution concerning any matter that might affect its operation.

3. A solution mutually acceptable to the Parties to a dispute and consistent with this Agreement is clearly to be preferred. In the absence of a mutually agreed solution, the first objective of this Chapter will be in general to secure the withdrawal of the measures concerned if these are found to be inconsistent with the provisions of this Agreement.

ARTICLE 10.2: SCOPE AND COVERAGE

1. Except for matters arising under Chapter 7 (Trade and Environment) and unless otherwise provided in this Agreement, the provisions of this Chapter shall apply with respect to any dispute arising from the interpretation, application, fulfillment or non-fulfillment of the provisions contained in this Agreement.

2. If any Party considers that any benefit it could reasonably have expected to accrue to it under any provision of this Agreement is being nullified or impaired as a result of the application of any measure by the other Party that is not inconsistent with this Agreement, the Party may have recourse to dispute settlement under this Chapter.

ARTICLE 10.3 CHOICE OF FORUM

Disputes regarding any matter covered both by this Agreement and the WTO Agreement or any other free trade agreement to which both Parties are party may be settled in either forum selected by the complaining Party. Once dispute settlement procedures are initiated under Article 10.10 or under Article 6 (Establishment of Panels) of the Understanding on Rules and Procedures Governing the Settlement of Disputes contained in Annex 2 to the WTO

Agreement or any other free trade agreement to which both Parties are party, the forum thus selected shall be used to the exclusion of the other.

ARTICLE 10.4: MUTUALLY AGREED SOLUTION

The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time. The Parties shall jointly notify the Joint Committee of any such solution. Upon notification of the mutually agreed solution, any dispute settlement procedure under this Chapter shall be terminated.

ARTICLE 10.5: CONSULTATIONS

1. Any dispute with respect to any matter referred to in Article 10.2 shall, as far as possible, be settled by consultations between the Parties.

2. Any request for consultations shall be submitted in writing and shall give the reasons for the request, including identification of the measures at issue, and an indication of the legal basis of the request, including the provisions of the Agreement considered to be applicable.

3. If a request for consultation is made pursuant to paragraph 2, the Party to which the request is made shall reply to the request within 15 days after the date of its receipt and shall enter into consultations within a period of no more than 30 days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution.

4. Consultations on matters of urgency, including those regarding perishable or seasonal goods shall be held within 15 days after the date of submission of the request, and shall be deemed concluded within 25 days after the date of submission of the request.

5. Consultations shall take place, on the territory of the Party complained against unless the Parties agree otherwise or by any technological means available that the Parties agree upon.

6. The Parties shall make every effort to reach a mutually satisfactory solution to any matter through consultations. To this end, the Parties shall:

(a) provide sufficient information as may be reasonably available at the stage of consultations to enable a full examination of the measure alleged to affect the implementation of the Agreement; and

(b) treat as confidential any information exchanged during the consultations.

ARTICLE 10.6: CONCILIATION AND GOOD OFFICES

1. The Parties may, at any stage of any dispute settlement procedure under this Chapter, agree to undertake conciliation or good offices. Conciliation or good offices may begin at any time and be suspended or terminated by either Party at any time.

2. All proceedings and any documents submitted under this Article shall be confidential and without prejudice to the rights of either Party in any further proceedings under the provisions of this Chapter.

ARTICLE 10.7: MEDIATION

1. If consultations fail to produce a mutually satisfactory solution, the Parties may, by mutual agreement, seek the services of a mediator appointed by the Joint Committee. Any request for mediation shall be made in writing and identify the measure that has been subject of consultations, in addition to the agreed terms of reference for the mediation.

2. During the mediation process the Parties shall not initiate arbitral proceedings conducted in accordance with this Chapter unless the Parties agree otherwise.

3. The Joint Committee shall appoint within 10 days of receipt of the request a mediator selected by lot from the persons included in the list referred to in Article 10.8 who is not a national of either of the Parties. The mediator shall convene a meeting with the Parties no later than 30 days after being appointed. The mediator shall receive the submissions of both Parties no later than 15 days before the meeting and issue an opinion no later than 45 days after having been appointed. The mediator's opinion may include a recommendation on steps to settle the dispute that is consistent with this Agreement. The mediator's opinion shall be non-binding.

4. Deliberations and all information including documents submitted to the mediator shall be kept confidential and shall not be brought for the Arbitral Tribunal proceedings conducted in accordance with this Chapter, unless the Parties agree otherwise.

5. The time limits referred to in paragraph 3 may be amended, should circumstances so demand, upon agreement of the Parties. Any amendment shall be notified in writing to the mediator.

6. In the event that mediation produces a mutually acceptable solution to the dispute, both Parties shall submit a notification in writing to the mediator.

ARTICLE 10.8: ROSTERS OF ARBITRATORS

1. Each Party shall establish within six months after the date of entry into force of this Agreement and maintain an indicative roster of individuals who are willing and eligible to serve as arbitrators and who may be nationals or have their permanent place of residence in its territory. Each roster shall be composed of five members and shall remain in effect until the Party constitutes a new roster.

2. For the position of chair of the Arbitral Tribunal, the Parties shall establish within six months after the date of entry into force of this Agreement and maintain a roster of five individuals, who are not nationals of either Party, and who shall not have their usual place of residence in either Party, and who are willing and eligible to serve as chair of the Arbitral Tribunal. This roster list shall be appointed by consensus.

3. The Parties may have recourse to the rosters even if the rosters are not complete.

4. Once established, the roster referred to in paragraph 2 shall remain in effect until the Parties constitute a new roster. The Parties may appoint a replacement where a roster member is no longer available to serve.

ARTICLE 10.9: QUALIFICATION OF ARBITRATORS

All arbitrators shall:

(a) have expertise or experience in law, international trade, other matters covered by this Agreement, or in settlement of disputes arising under international trade agreements;

(b) be chosen strictly on the basis of objectivity, impartiality, reliability, and sound judgment;

(c) be independent of, and not be affiliated with or take instructions from any Party;

(d) be nationals of states having diplomatic relations with both Parties; and

(e) comply with the Code of Conduct attached as Annex 10-B to this Agreement.

ARTICLE 10.10: REQUEST FOR THE ESTABLISHMENT OF AN ARBITRAL TRIBUNAL

1. The complaining Party may request the establishment of an Arbitral Tribunal if:

(a) the Party complained against does not reply to the request for consultations in accordance to the time frames provided in this Chapter;

(b) consultations are not held within the period of 60 days after the date of receipt of the request for consultations;

(c) the Parties have failed to settle the dispute through consultations within 60 days after the date of receipt of the request for consultations; or

(d) the Parties have had recourse to mediation and no mutually acceptable solution has been reached within 15 days after the issuance of the mediator's opinion.

2. Requests for the establishment of an Arbitral Tribunal shall be made in writing to the Party complained against and to the Joint Committee. The complaining Party shall identify in its request the specific measure at issue, and shall explain how that measure constitutes a violation of the provisions of this Agreement in a manner that clearly presents the legal basis for the complaint, including indicating the relevant provisions of this Agreement.

3. A Party shall not request the establishment of an Arbitral Tribunal to review a proposed measure.

4. The request to establish the Arbitral Tribunal referred to in this Article shall form the terms of reference of the Arbitral Tribunal unless otherwise agreed by the Parties.

ARTICLE 10.11: COMPOSITION OF THE ARBITRAL TRIBUNAL

1. The Parties shall apply the following procedures in establishing an Arbitral Tribunal:

(a) the Arbitral Tribunal shall be composed of three arbitrators;

(b) within 15 days after the notification of the request for the establishment of the Arbitral Tribunal, each Party shall appoint one arbitrator, not necessarily from the indicative roster referred to in paragraph 1 of Article 10. 8. If the complaining Party or the Party complained against

fail to appoint an arbitrator within such period, an arbitrator shall be appointed by drawing lots from the indicative roster of that Party established under Article 10.8 within 3 days after expiration of said period;

(c) the Parties shall endeavor to agree on a third arbitrator who shall serve as chair, within 15 days from the date the second arbitrator has been appointed. If the Parties are unable to agree on the chair, the chair shall be appointed by drawing lots from the roster established under Article 10.8 within 3 days after expiration of said period; and

(d) each disputing Party shall endeavor to appoint arbitrators who have expertise or experience relevant to the subject matter of the dispute.

2. In case that a Party raises a reasoned objection against an arbitrator regarding his or her compliance with the Code of Conduct attached as Annex 10-B, or, for the sake of clarity, his or her compliance with the qualifications of the arbitrators as set forth in Article 10.9, the Parties shall follow the procedures provided for in rules 15 and 16 of Annex 10-A.

3. If an arbitrator is unable to participate in the proceedings, is removed or resigns, a new arbitrator shall be selected as provided for in Annex 10-A**.**

4. The date of establishment of the Arbitral Tribunal shall be the date of which the chair is appointed.

ARTICLE 10.12: FUNCTION OF ARBITRAL TRIBUNALS

1. The function of an Arbitral Tribunal shall be to make an objective assessment of the matter before it, in accordance with the request for the establishment of an Arbitral Tribunal, including an examination of the facts of the case and their applicability and consistency with this Agreement. If the Arbitral Tribunal determines that a measure is inconsistent with a provision of this Agreement, it shall recommend that the Party complained against bring the measure into conformity with that provision.

2. The Arbitral Tribunal shall base its reports on the relevant provisions of this Agreement and on the information provided during the proceedings including submissions, evidence and arguments made at the hearings.

3. The Arbitral Tribunals established under this Chapter shall interpret the provisions of this Agreement in accordance with applicable rules of interpretation of treaties including those set forth in the *Vienna Convention on the Law of Treaties*,

done at Vienna on 23 May 1969[2]. Arbitral Tribunals cannot increase or diminish the rights and obligations contained in this Agreement.

ARTICLE 10.13: PROCEEDINGS OF ARBITRAL TRIBUNALS

1. Unless the Parties otherwise agree, the Arbitral Tribunal shall apply the Rules of Procedure attached as Annex 10-A, that shall ensure:

(a) confidentiality of the proceedings and all written submissions to, and communications with, the Arbitral Tribunal;

(b) that the deliberations, hearings, sessions and meetings of the Arbitral Tribunal shall be held in closed sessions;

(c) a right to at least one hearing before the Arbitral Tribunal;

(d) an opportunity for each Party to provide initial and rebuttal submissions;

(e) the ability of the Arbitral Tribunal to seek information, technical advice and expert opinions; and

(f) the protection of confidential information.

2. An Arbitral Tribunal shall adopt its decisions by consensus. In the event that an Arbitral Tribunal is unable to reach consensus, it shall adopt its decisions by majority vote. The Arbitral Tribunal shall not disclose which arbitrators are associated with majority or minority votes.

3. The venue for the proceedings of the Arbitral Tribunal shall be decided by mutual agreement between the Parties. If the Parties are unable to reach an agreement, the venue shall be Kyiv if the complaining Party is Israel and Jerusalem if the complaining Party is Ukraine.

4. There shall be no *ex parte* communications with the Arbitral Tribunal concerning matters under its consideration.

[2] For greater certainty interpretations of the Joint Committee pursuant to Article 9.3.2 (d) (Functions of the Joint Committee) shall be taken into consideration by the Arbitral Tribunal.

ARTICLE 10.14: THE ARBITRAL TRIBUNAL REPORTS

1. The Arbitral Tribunal shall issue reports in accordance with the provisions of this Chapter.

2. The Arbitral Tribunal shall present to the Parties an initial report on the dispute referred to it within 90 days after its establishment.

3. When the Arbitral Tribunal considers that it cannot issue the initial report within 90 days, it shall inform the Parties in writing of the reasons for the delay and shall indicate the estimated period of time within which it will issue its initial report. Under no circumstances shall the initial report be issued later than 120 days after the date of establishment of the Arbitral Tribunal.

4. The reports shall contain:

(a) findings of fact and the basis on which these findings were determined;

(b) a determination and reasoning as to whether the Party complained against has conformed with its obligations under this Agreement and any other finding or determination requested in the terms of reference;

(c) if the Arbitral Tribunal determines that a measure is inconsistent with a provision of this Agreement a recommendation to bring the measure into conformity with that provision; and

(d) a recommendation for resolution of the dispute, if requested by both Parties.

5. The reports shall exclude payment of monetary compensation.

6. The reports shall be confidential.

7. In cases of urgency, including those involving perishable or seasonal goods, the Arbitral Tribunal shall make every effort to issue its initial report within 45 days from the date of its establishment. Under no circumstances shall the initial report be issued later than 75 days after the establishment of the Arbitral Tribunal. The Arbitral Tribunal shall give a preliminary ruling within 10 days of its establishment, on whether it deems the case to be urgent.

8. Any Party may submit written comments to the Arbitral Tribunal on its initial report within 30 days of presentation of the report, or any other period as the Parties may otherwise agree. Such comments shall be provided to the other Party.

9. In such an event, and after considering such written comments, the Arbitral Tribunal may, on its own initiative or on the request of a Party:

(a) request any further views of a Party;

(b) reconsider its report; or

(c) make any further examination that it considers appropriate.

10. The Arbitral Tribunal shall present to the Parties a final report, including any separate opinions on matters not unanimously agreed, within 45 days of presentation of the initial report.

11. Unless the Parties decide otherwise, the final report of the Arbitral Tribunal shall be made publically available within 10 days after it is presented to the Parties, subject to the protection of confidential information.

ARTICLE 10.15: SUSPENSION AND TERMINATION OF PROCEEDINGS

1. Where the Parties agree, the Arbitral Tribunal may suspend its work at any time for a period not exceeding 12 months from the date of such agreement. If the work of the Arbitral Tribunal has been suspended for more than 12 months, the authority for establishment of the tribunal shall lapse unless the Parties agree otherwise.

2. The Parties may agree to terminate the proceedings of an Arbitral Tribunal established under this Chapter, in the event that a mutually satisfactory solution to the dispute has been found.

3. Suspension or termination of the proceedings shall not prejudice the right of the Parties to request the establishment of an Arbitral Tribunal on the same measure at a later time.

4. Before the Arbitral Tribunal issues its final report, it may at any stage of the proceedings propose to the Parties that the dispute be settled amicably.

ARTICLE 10.16: IMPLEMENTATION OF FINAL REPORT

1. The Party concerned shall promptly comply with the determination or recommendation contained in the final report of the Arbitral Tribunal. If it is impracticable to do so, the Parties shall endeavor to agree on a reasonable period of

time to comply. In the absence of such agreement within 30 days from the date of the issuance of the final report, either Party may request the original Arbitral Tribunal to determine the length of the reasonable period of time, in light of the particular circumstances of the case. A guideline for the Arbitral Tribunal shall be that the reasonable time to comply with the determination or recommendation should not exceed 15 months from the date the final report was issued. The ruling of the Arbitral Tribunal should be given within 30 days from that request.

2. In case of disagreement as to the existence of a measure complying with the determination or recommendation in the final report or to the consistency of that measure with the determination or recommendation of the Arbitral Tribunal, such dispute shall be decided by the same Arbitral Tribunal before compensation can be sought or suspension of benefits can be applied in accordance with Article 10.17. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 10.11 shall apply.

The ruling of the Arbitral Tribunal shall normally be rendered within 90 days.

ARTICLE 10.17: COMPENSATION AND SUSPENSION OF BENEFITS

1. If the Party concerned fails to properly comply with the determination or recommendation in the final report within a reasonable period of time as provided for in paragraph 1 of Article 10.16, that Party shall, if so requested by the complaining Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within 20 days from the request, the complaining Party shall be entitled to suspend the application of benefits granted under this Agreement but only equivalent to those affected by the measure or matter that the Arbitral Tribunal has found to be inconsistent with this Agreement.

2. In considering what benefits to suspend, the complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure or matter that the Arbitral Tribunal has found to be inconsistent with this Agreement. The complaining Party that considers it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.

3. The complaining Party shall notify the other Party to the dispute of the benefits which it intends to suspend, the grounds for such suspension and when suspension will commence, no later than 30 days before the date on which the suspension is due to take effect. Within 15 days from that notification, the Party complained against may request the original Arbitral Tribunal to rule on whether the benefits which the complaining Party intends to suspend are equivalent to those affected by the measure found to be inconsistent with this Agreement, and whether the proposed suspension is in accordance with paragraphs 1 and 2. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 10.11 shall apply.

The ruling of the Arbitral Tribunal shall be given within 45 days from that request. Benefits shall not be suspended until the Arbitral Tribunal has issued its ruling.

4. Compensation and suspension of benefits shall be temporary measures and shall only be applied by the complaining Party until the measure or matter found to be inconsistent with this Agreement has been withdrawn or amended so as to bring it into conformity with this Agreement, or until the Parties have settled the dispute otherwise.

5. At the request of a Party, the original Arbitral Tribunal shall rule on the conformity with the determination or recommendation of any implementing measures adopted after the suspension of benefits and, in light of such ruling, whether the suspension of benefits should be terminated or modified. In the event the original Arbitral Tribunal, or any of its members, is not available, the procedures established in Article 10.11 shall apply.
The ruling of the Arbitral Tribunal shall be given within 30 days from the date of that request.

ARTICLE 10.18: TIME FRAMES

All time frames stipulated in this Chapter may be reduced, waived or extended by agreement between the Parties**.**

ARTICLE 10.19: REMUNERATION AND EXPENSES

The remuneration and expenses of the Arbitral Tribunal shall be borne in equal parts by the Parties in accordance with Annex 10-A. All other expenses not specified in Annex 10-A shall be borne by the Party incurring those expenses.

ARTICLE 10.20: REQUEST FOR CLARIFICATION OF THE REPORT

1. Within 10 days after the issuance of the report, a Party may submit a written request to the Arbitral Tribunal for clarification of any determinations or recommendations in the report that the Party considers ambiguous. The Arbitral Tribunal shall respond to the request within 10 days after the presentation of such request.

2. The submission of a request pursuant to paragraph 1 shall not affect the time periods referred to in Article 10.16 and Article 10.17 unless the Arbitral Tribunal decides otherwise.

ANNEX 10-A

RULES OF PROCEDURE

FOR ARBITRAL TRIBUNAL PROCEEDINGS

APPLICATION

1. The following Rules of Procedure are established under Article 10.13 and shall apply to Arbitral Tribunal proceedings under this Chapter unless the Parties otherwise agree.

DEFINITIONS

2. For the purposes of this Annex:

(a) **adviser** means a person retained by a Party to advise or assist that Party in connection with the Arbitral Tribunal proceeding;

(b) **Arbitral Tribunal** means an Arbitral Tribunal established under Article 10.10;

(c) **arbitrator** means a member of an Arbitral Tribunal established under Article 10.10;

(d) **assistant** means a person who, under the terms of appointment of an arbitrator, conducts research or provides other professional or administrative support to any arbitrator;

(e) **Chapter** means Chapter 10 (Dispute Settlement) of this Agreement;

(f) **complaining Party** means a Party that requests the establishment of an Arbitral Tribunal;

(g) **day** means a calendar day;

(h) **expert** means an individual who provides information, technical advice or expert opinion sought by an Arbitral Tribunal;

(i) **holiday** means every Friday, Saturday and Sunday and any other day designated by a Party as an official holiday;

(j) **Party complained against** means a Party that receives the request for the establishment of an Arbitral Tribunal;

(k) **proceeding** means an Arbitral Tribunal proceeding;

(l) **representative of a Party** means an employee or any person appointed by a government department or agency or any other government entity of a Party; and

(m) **staff** means persons under the direction and control of the arbitrator, or of the Arbitral Tribunal, other than assistants.

COMPOSITION OF THE ARBITRAL TRIBUNAL

3. Upon the appointment of a candidate to serve as an arbitrator, the complaining Party shall promptly inform the candidate of the candidate's appointment as an arbitrator. The candidate shall complete and submit to the Parties the Undertaking Form attached to Annex 10-B together with its written acceptance to serve on the Arbitral Tribunal within two days after the candidate was informed of its appointment. The date of the appointment of the arbitrator shall be considered as the date upon which she/he submits electronically the Undertaking Form and its written acceptance to the Parties. If the candidate fails to communicate its acceptance, within the said period, to the Parties, such candidate shall be deemed not to accept the appointment.

4. Pursuant to the circumstances described in Article 10.11.3, a replacement to an arbitrator shall be appointed as expeditiously as possible in accordance with the procedure under Article 10.11.1. Any time period applicable to the proceeding shall be suspended until the date the replacement is appointed.

WRITTEN SUBMISSIONS AND OTHER DOCUMENTS

5. The Parties and the Arbitral Tribunal shall deliver any written submission, request, notification or other document by delivery against receipt, registered post, courier, facsimile transmission, e-mail or any other means of telecommunication that provides a record of the sending thereof. Where a Party or an Arbitral Tribunal delivers physical copies of written submissions or any other documents related to the panel proceeding, it shall deliver at the same time an electronic version of such submissions or documents.

6. The Parties shall deliver simultaneously a copy of their written submissions and any other document to the other Party and to each one of the arbitrators.

7. At any time a Party may correct minor errors of a clerical nature in any written submission, request, notification or other document related to the proceedings by delivery of a new document clearly indicating the changes.

8. Written submissions, requests, notifications or other documents of all types shall be delivered by electronic means whenever possible and shall be deemed to be received, on the date upon which the electronic version of them is received.

9. The deadlines are counted from the day following the date of the receipt of such submission or documents.

10. When a term referred to in this Chapter or in this Annex begins or ends on a holiday observed by a Party or on any other day on which the government offices of that Party are closed by order of the government or by *force majeure*, it shall be regarded as having begun or ended on the next business day. The Parties shall exchange a list of dates of their official holidays for the following year on the first Monday of every December.

COMPUTATION OF TIME

11. When, as a result of the provisions of rule 10, the date of receipt of a document by each of the Parties may be different, any period of time that is calculated in relation to the receipt of this document, shall be computed from the last date of receipt of the document.

BURDEN OF PROOF

12. A Party asserting that a measure of the other Party is inconsistent with the provisions of this Agreement, or that the other Party has otherwise failed to fulfill its obligations under this Agreement, or that a benefit the Party could reasonably have expected to accrue to it under this Agreement is being nullified or impaired, shall have the burden of proving its assertions.

13. A Party asserting that a measure is subject to an exception under this Agreement shall have the burden of proving that the exception applies.

COMMENCING THE ARBITRATION

14. Unless the Parties agree otherwise, the Arbitral Tribunal within seven days from its establishment shall contact the Parties in order to determine procedural matters that the Parties or the Arbitral Tribunal deem appropriate.

REASONED OBJECTION AGAINST AN ARBITRATOR

15. Where a Party raises a reasoned objection against an arbitrator or a chair regarding his or her compliance with the Code of Conduct, it shall send a written notice to the other Party providing its reasons based on clear evidence regarding the violation of the Code of Conduct.

16. The Parties shall consult on the matter and come to a conclusion within seven days from receipt of such notice:

(a) if the Parties agree, that there exists proof of a violation of the Code of Conduct, they shall remove that arbitrator or chair and select a replacement in accordance with Article 10.11.1; or

(b) if the Parties fail to agree that there exists proof of a violation of the Code of Conduct by an arbitrator, either Party may request the chair of the Arbitral Tribunal to consider and settle this matter. If the challenge is being raised against the chair of the Arbitral Tribunal, the matter shall be considered by the other two arbitrators. If no agreement is reached between the two arbitrators, the chair shall be removed. The decision adopted pursuant to this rule is definitive. The selection of the new arbitrator or chair shall be done in accordance with Article 10.11.

INITIAL SUBMISSIONS AND COUNTER-SUBMISSIONS

17. The complaining Party shall deliver its initial written submission to the Party complained against and to each of the arbitrators, no later than 15 days after the date of establishment of the Arbitral Tribunal.

18. The initial written submission shall contain the following:

(a) designated authorized representative

(b) service address, telephone and facsimile numbers, and e-mail addresses to which communications arising in the course of the proceeding shall be sent

(c) summary of the relevant facts and circumstances

(d) the Party's claim, stated in clear manner, including identification of the measures at issue, the relevant provisions of this Agreement, an indication of the legal basis for the complaint, and a request to issue an Arbitral Tribunal report;

(e) supporting evidence, including information, technical advice or expert opinion, and specification of other evidence which cannot be produced at the time of the submission, but will be presented to the Arbitral Tribunal before or during the first hearing; and

(f) date and signature.

19. The Party complained against shall subsequently deliver its written counter-submission to the complaining Party and to each of the arbitrators, no later than 30 days after the date of receipt of the initial written submission.

20. The counter-submission shall contain the following:

(a) designated authorized representative;

(b) service address, telephone and facsimile numbers and e-mail addresses to which communications arising in the course of the proceeding shall be sent;

(c) facts and arguments upon which its defense is based;

(d) supporting evidence, including information, technical advice or expert opinion, and specification of other evidence which cannot be produced at the time of the submission, but will be presented to the Arbitral Tribunal before or during the first hearing; and

(e) date and signature.

OPERATION OF ARBITRAL TRIBUNALS

21. The chair of the Arbitral Tribunal shall preside at all its meetings. An Arbitral Tribunal may delegate to the chair authority to make administrative and procedural decisions.

22. Unless provided otherwise in these Rules of Procedure, the Arbitral Tribunal may conduct its activities by any appropriate means, including technological means such as telephone computer connections or video-conference, provided that the right of a Party to effectively participate in the proceedings is maintained.

23. The Arbitral Tribunal shall record minutes of the meetings held during each proceeding, which shall be kept in the files of the dispute.

24. Only arbitrators may take part in the deliberations of the Arbitral Tribunal. The Arbitral Tribunal may, in consultation with the Parties, permit, if necessary, assistants, interpreters, translators, or stenographers to be present during its deliberations.

25. The arbitrators and the persons retained by the Arbitral Tribunal shall keep the confidentiality of the Arbitral Tribunal proceedings, including its deliberations and of any information protected in accordance to Article 10.13.1 (a) and (d), paragraph 23 of Annex 10-B and the rules of this Annex.

26. The Arbitral Tribunal in consultation with the Parties, may retain:

(a) an assistant, interpreter or translator, and stenographer as it requires to carry out its functions; and

(b) upon agreement of the Parties, an additional reasonable number of such persons as it deems necessary for the proceeding

27. Where a procedural question arises that is not covered by these Rules of Procedure, the Arbitral Tribunal, after consultation with the Parties, may adopt an appropriate procedure that is consistent with this Agreement and that ensures equal treatment between the Parties.

28. The Arbitral Tribunal, upon agreement of the Parties, may modify a time period applicable to the proceedings and make other procedural or administrative adjustments as may be required during the proceeding.

INFORMATION, TECHNICAL ADVICE AND EXPERT OPINIONS

29. On request of a Party, or on its own initiative, the Arbitral Tribunal may seek information, technical advice or expert opinions from any individual that it deems appropriate, subject to rules 29 to 36, and to additional terms and conditions as the Parties may agree. The requirements set out in Article 10.9 shall apply to these experts, as appropriate.

30. Before the Arbitral Tribunal seeks information, technical advice or expert opinions, pursuant to rule 29, it shall notify the Parties of its intention to seek information, technical advice or expert opinions, allocate them an adequate period of time to submit comments, and take into consideration these comments.

31. In the notification mentioned in rule 30, the Arbitral Tribunal shall provide duly justified reasons for seeking information, technical advice or expert opinions and identify

the individual or body from whom/which the information, technical advice or expert opinion is sought.

32. The Arbitral Tribunal shall only seek information, technical advice or expert opinions relating to the factual or legal issues before it.

33. The Arbitral Tribunal shall provide the Parties with a copy of any information technical advice or expert opinion received under rule 29 and allocate them an adequate period of time to submit comments.

34. When the Arbitral Tribunal takes into consideration information, technical advice or expert opinions, received under rule 29 for the preparation of its report, it shall also take into consideration comments or observations submitted by the Parties with respect to such information, technical advice or expert opinion.

35. The Arbitral Tribunal shall set a reasonable time limit for the submission of the information, technical advice or expert opinions requested pursuant to rule 29, which shall not exceed 45 days, unless otherwise agreed by the Parties.

36. When a request is made to seek information, technical advice or expert opinions under rule 29, an Arbitral Tribunal may suspend any time limit applicable to the proceedings until the date the information, the technical advice or expert opinion is received by the Arbitral Tribunal.

CONFIDENTIALITY

37. All documentation, decisions and proceedings linked to the procedure established in this Chapter, as well as meetings, hearings, deliberations and sessions of the Arbitral Tribunal, shall be confidential, except for the report of the Arbitral Tribunal. Nevertheless, the report shall not include any information submitted by the Parties to the Arbitral Tribunal which any of them designates as confidential.

38. The Parties shall take all reasonable steps to ensure that their representatives, advisers and any person or body that has access to the proceedings on their behalf, maintain the confidentiality of all documentation, decisions and proceedings linked to the procedure established in this Chapter, as well as meetings, hearings, and sessions of the Arbitral Tribunal, except for the report of the Arbitral Tribunal

39. Nothing in these Rules of Procedure shall preclude a Party from disclosing statements of its own positions to the public.

HEARINGS

40. Each Party shall have a right to at least one hearing before the Arbitral Tribunal. The Arbitral Tribunal may convene additional hearings if the Parties so agree.

41. Unless the Parties agree otherwise, the hearings shall take place in the territory of the Party complained against. The Party in whose territory the proceedings take place shall be in charge of the logistical administration of the proceedings, including the venue, the assistance of interpreters and other staff necessary, unless otherwise agreed by the Parties.

42. The chair shall fix the date and time of the hearings in consultation with the Parties and the other arbitrators, and then notify the Parties in writing of those dates and times, no later than 15 days prior to the hearings.

43. All arbitrators shall be present during the entirety of all hearings.

44. Hearings, deliberations, sessions and meetings of the Arbitral Tribunal shall be held in closed sessions. Nevertheless, the following persons may attend the hearings:

(a) representatives;

(b) advisers;

(c) staff and translators;

(d) assistants; and

(e) court stenographers.

Only the representatives and advisers may address the Arbitral Tribunal.

45. No later than five days before the date of a hearing, each Party shall deliver a list of the names of those persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers who will be attending the hearing.

46. Each hearing shall be conducted by the Arbitral Tribunal in a manner that ensures that the complaining Party and the Party complained against are afforded equal time for arguments, rebuttals and counter-rebuttals.

47. The Arbitral Tribunal may direct questions to either Party at any time during the hearing.

48. The Arbitral Tribunal shall arrange for a transcript of each hearing to be prepared and shall, as soon as possible, deliver a copy to each Party.

49. Each Party may deliver a supplementary written submission concerning any matter that arose during the hearing within 10 days from the date of the conclusion of the hearing.

EVIDENCE

50. The Parties shall provide all evidence as soon as possible, and preferably with the initial submission and the counter-submission, but no later than during the course of the first hearing, except with respect to evidence related to rebuttals, answers to questions and comments on answers provided by the other Party. Exceptions to this procedure shall be granted upon a showing of good cause. In such cases, the other Party shall be granted a period of time for comment, as the Arbitral Tribunal deems appropriate, on newly submitted evidence.

51. All the evidence submitted by the Parties shall be kept in the files of the dispute to be maintained by the chair of the Arbitral Tribunal.

52. In case the Parties so request, the Arbitral Tribunal shall hear witnesses or experts, in the presence of the Parties, during the hearings.

QUESTIONS IN WRITING

53. The Arbitral Tribunal may at any time during the proceedings address questions in writing to one or both Parties and set a time-limit for submission of the responses. The Parties shall receive a copy of any question put by the Arbitral Tribunal.

54. A Party shall submit its response to the Arbitral Tribunal in writing and shall provide a copy of its response to the other Party. A Party shall be given the opportunity to provide written comments on the other Party's response within 10 days after the date of receipt thereof.

FUTURE COURSE OF PROCEEDINGS

55. Whenever a Party fails to submit in due time its initial written submission, is absent from a scheduled hearing or in any other way breaches the procedures without

good and sufficient cause, the Arbitral Tribunal shall, upon assessment of the aforesaid circumstances, decide on their effect on the future course of the proceedings.

REPORTS OF THE ARBITRAL TRIBUNAL

56. The Arbitral Tribunal's reports shall contain the following details, in addition to the elements provided in Article 10.14.4 and any other element as the Arbitral Tribunal may consider appropriate:

(a) the Parties to the dispute;

(b) the name of each of the arbitrators and the date of establishment of the Arbitral Tribunal;

(c) the names of the representatives of the Parties;

(d) the measures subject to the proceedings;

(e) information on the development of the arbitration procedure, including a summary of the arguments of each of the Parties;

(f) the decision reached, indicating its factual and legal grounds;

(g) the date and place of issuance; and

(h) the signature of all the arbitrators.

"EX PARTE" CONTACTS

57. The Arbitral Tribunal shall not meet or contact a Party in the absence of the other Party.

58. An arbitrator shall not discuss any aspect of the subject matter of the proceeding with a Party in the absence of the other Party.

59. Except as provided for in rule 21, the arbitrator may not discuss any aspect of the subject matter of the proceeding with the Parties in the absence of the other arbitrators.

LANGUAGE

60. All proceedings shall be conducted in English.

61. Any document submitted for use in any proceedings shall be in English. If any original document is not in English, the Party submitting such document shall provide an English translation thereof.

COMPENSATION AND SUSPENSION OF BENEFITS

62. These Rules of Procedure shall apply to proceedings established under Article 10.17 except for the following:

(a) the Party that requests the establishment of the Arbitral Tribunal shall deliver its initial written submission to the other Party and each of the arbitrators within five days after the date of the establishment of the Arbitral Tribunal;

(b) the responding Party shall deliver its written counter-submission within 10 days after the date of delivery of the initial written submission;

(c) the Arbitral Tribunal shall fix the time limit for delivering any further written submissions; and

(d) unless the Parties disagree, the Arbitral Tribunal may decide not to convene a hearing.

CASES OF URGENCY

63. Upon receipt of a request by a Party for an accelerated time period in cases of urgency pursuant to Article 10.14.7, the Arbitral Tribunal shall provide the other Party with the opportunity to comment and shall issue its ruling on whether the accelerated time period will apply, within 10 days from the day of this request.

64. In cases of urgency, referred to in Article 10.14.7, the Arbitral Tribunal shall, after consulting the Parties, modify the time-limits referred to in these rules as appropriate and shall notify the Parties of any such adjustments.

REMUNERATION AND PAYMENT OF EXPENSES

65. The remuneration of arbitrators, their assistants, and experts shall be determined by the Joint Committee.

66. Unless the Parties otherwise agree, the remuneration and expenses of the arbitrators, assistants and experts, including their travel and lodging expenses, and all general expenses customarily incurred by the routine functioning of the Arbitral Tribunal, shall be borne in equal shares between the Parties.

67. Each arbitrator, assistant and expert shall keep a record and render a final account to the Parties of his or her time sheet and expenses and the chair of the Arbitral Tribunal shall keep a record and render a final account to the Parties of all general expenses.

ANNEX 10-B

CODE OF CONDUCT

DEFINITIONS

1. For the purposes of this Annex:

(a) **adviser** means a person retained by a Party to advise or assist that Party in connection with the Arbitral Tribunal proceeding;

(b) **Arbitral Tribunal** means an Arbitral Tribunal established under Article 10.10;

(c) **arbitrator** means a member of an Arbitral Tribunal established under Article 10.10;

(d) **assistant** means a person who, under the terms of appointment of an arbitrator, conducts research or provides other professional or administrative support to any arbitrator;

(e) **candidate** means:

(i) a person whose name appears in the list established pursuant to Article 10.8; or

(ii) a person who is under consideration for appointment or selection as an arbitrator, conciliator, mediator, expert, or assistant;

(f) **Chapter** means Chapter 10 (Dispute Settlement) of this Agreement;

(g) **conciliator** and **mediator** mean a person who conducts a conciliation or mediation, respectively, in accordance with Articles 10.6 and 10.7;

(h) **expert** means an individual who provides information, technical advice or expert opinion to an Arbitral Tribunal pursuant to rules 29 through 36 of Annex 10-A;

(i) **family members** means:

(i) the spouse of the arbitrator or candidate;

(ii) the following relatives of the arbitrator or candidate: parents, grandparents, great grandparents, children, grandchildren, great grandchildren, brothers, sisters, nephews, nieces, uncles, aunts, first cousins, great uncles and great aunts, or the spouse of such persons; and

(iii) the following relatives of the spouse of the arbitrator or candidate: parents, grandparents, brothers, sisters, children and grandchildren;

(j) **proceeding** means an Arbitral Tribunal proceeding under this Agreement; and

(k) **staff** means persons under the direction and control of the arbitrator, or of the Arbitral Tribunal, other than assistants**.**

RESPONSIBILITIES OF ARBITRATORS AND CANDIDATES

2. An arbitrator shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests, shall observe high standards of conduct so that the integrity and impartiality of dispute settlement under this Agreement are preserved and shall take appropriate measures to ensure that assistants and experts comply with this Code of Conduct. A former arbitrator shall observe the duties established in this Annex, *mutatis mutandis*.

3. A candidate shall not accept appointment as an arbitrator unless the candidate is fully satisfied of his or her ability to comply with the requirements of this Code of Conduct.

4. An arbitrator shall select or appoint an expert or assistant only if they are fully satisfied with the ability of the expert or assistant to comply with the requirements of this Code of Conduct. Such expert or assistant shall accept the selection or appointment only if they are fully satisfied of their ability to comply with these requirements.

DISCLOSURE OBLIGATIONS

5. Prior to confirmation of his or her appointment as an arbitrator under this Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters. The candidate shall disclose such interests, relationships and matters by completing and providing the Undertaking Form in the Appendix to this Annex to the Joint Committee for consideration by the Parties.

6. Without limiting the generality of the obligation in paragraph 5, candidates shall disclose the following interests, relationships and matters:

(a) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate:

(i) in the proceeding or in its outcome; and

(ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves an issue that may be decided in the proceeding for which the candidate is under consideration;

(b) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate's employer, partner, business associate or family member:

(i) in the proceeding or in its outcome; and

(ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;

(c) any past or existing financial, business, professional, family or social relationship with a person or entity that has an interest in the proceeding, or the Party's counsel, representative or adviser, or any such relationship involving a candidate's employer, partner, business associate or family member; and

(d) public advocacy, including statements of personal opinion, or legal or other representation concerning an issue in dispute in the proceeding or involving the same type of goods, services, investments, or government procurement.

7. Once appointed, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships and matters referred to in paragraphs 5 and 6 and shall disclose them by communicating them in writing to the Joint Committee for consideration by the Parties. The obligation to disclose is a continuing duty, which requires an arbitrator to disclose any such interests, relationships and matters that may arise during any stage of the proceeding.

8. This Annex does not determine whether or under what circumstances the Parties will disqualify a candidate, or an arbitrator from being appointed to or serving as a member of an Arbitral Tribunal, on the basis of disclosures made.

PERFORMANCE OF DUTIES BY ARBITRATORS

9. In addition to this Annex, an arbitrator shall comply with the provisions of this Chapter and Annex 10-A.

10. Upon appointment, an arbitrator shall perform his or her duties thoroughly and expeditiously throughout the course of the proceeding with fairness and diligence.

11. An arbitrator shall consider only those issues raised in the proceeding and necessary to issue the reports and rulings of the Arbitral Tribunal and shall not delegate any of his or her duties to any other person, except as provided for in rule 21 of the Rules of Procedure.

12. An arbitrator shall take all appropriate steps to ensure that his or her assistants and staff are aware of, and comply with this Annex, *mutatis mutandis*.

13. An arbitrator shall not engage in *ex parte* communications concerning the proceeding.

14. An arbitrator shall not communicate matters concerning actual or potential violations of this Annex unless the communication is to both Parties or is necessary to ascertain from a third party whether that arbitrator has violated or may violate this Annex.

INDEPENDENCE AND IMPARTIALITY OF ARBITRATORS

15. An arbitrator shall be independent and impartial. An arbitrator shall act in a fair manner and shall avoid creating an appearance of impropriety or bias.

16. An arbitrator shall not be influenced by self-interest, outside pressure, political considerations, public clamour, and loyalty to a Party or fear of criticism.

17. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that might in any way interfere, or appear to interfere, with the proper performance of the arbitrator's duties.

18. An arbitrator shall not use his or her involvement in the proceeding to advance any personal or private interests. An arbitrator shall avoid conduct that may create the impression that others are in a special position to influence him or her.

19. An arbitrator shall not allow past or existing financial, business, professional, family or social relationships to influence his or her conduct or judgment.

20. An arbitrator shall avoid entering into any relationship, including a financial, business, professional or personal relationship, that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

21. An arbitrator shall exercise his or her position without accepting or seeking instructions from any international, governmental or non-governmental organization or any private source, and shall not have been involved in any previous stage of the dispute assigned to him or her, unless otherwise agreed by the Parties.

22. An arbitrator or former arbitrator shall avoid actions that may create the appearance that he or she was biased in carrying out his or her duties or would benefit from the reports or rulings of the Arbitral Tribunal.

MAINTENANCE OF CONFIDENTIALITY

23. A candidate, arbitrator or former arbitrator shall not at any time:

(a) disclose or use information not in the public domain concerning the proceedings, or acquired during the proceedings, except for the purposes of the proceedings or except as required by law;

(b) disclose Arbitral Tribunal reports or rulings or parts thereof prior to their publication in accordance with Article 10.14.11;

(c) make a public statement about the proceeding; or

(d) disclose the issues in dispute, the deliberations of the Arbitral Tribunal, or an arbitrator's view.

24. In case the disclosure referred to in paragraph 23 (a) is required by law, the candidate, arbitrator or former arbitrator shall provide sufficient advance notice to the Parties and the disclosure shall not be broader than necessary to satisfy the legitimate purpose of the disclosure. In any case, a candidate, arbitrator, or former arbitrator shall not disclose or use any such information not in the public domain to gain personal advantage or advantage for others or to affect adversely the interest of others.

MEDIATORS, CONCILIATORS, ASSISTANTS, EXPERTS AND STAFF

25. The provisions included in this Annex as applying to arbitrators shall apply, *mutatis mutandis*, to assistants and experts.

26. In the event of recourse to Article 10.6 and 10.7, the Parties will determine which provisions of this Code of Conduct shall apply to the mediators and conciliators.

27. The provisions included in paragraphs 11, 23 and 24 of this Annex shall apply to staff.

APPENDIX TO ANNEX 10-B

Free Trade Agreement between the Cabinet of Ministers of Ukraine and the Government of the State of Israel

Undertaking

In the Matter of Proceeding (title)

I have read the Code of Conduct for dispute settlement procedures for the Free Trade Agreement between the Cabinet of Ministers of Ukraine and the Government of the State of Israel (hereinafter referred to as "Code of Conduct") and affirm that I comply with the standards and obligations set out in that Code of Conduct.

To the best of my knowledge there is no reason why I should not accept appointment/selection as an arbitrator/mediator/conciliator/assistant/expert in this proceeding.

The following matters could potentially be considered to affect my independence or impartiality, or might create an appearance of impropriety or an apprehension of bias in the proceeding:

[Set out the details of any interests covered by paragraph 5, and in particular all relevant information covered by paragraph 6.]

I recognise that, once appointed/selected, I have a continuing duty to uphold all obligations specified in this Code of Conduct including to make all reasonable efforts to become aware of any interest, relationship, or matter referred to in this Code of Conduct that may arise during any stage of the proceedings. I will disclose in writing any applicable interest, relationship, or matter to the Parties as soon as I become aware of it.

Signature _____

Name _____

Date _____

CHAPTER ELEVEN

EXCEPTIONS

ARTICLE 11.1: GENERAL AND SECURITY EXCEPTIONS

1. For the purposes of this Agreement, Article XX of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis.*

2. Nothing in this Agreement, including measures affecting re-exports to non-Parties or re-imports from non-Parties, shall be construed:

(a) to require a Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or

(b) to preclude a Party from applying measures that it considers necessary for the fulfillment of its obligations under the United Nations Charter with respect to the maintenance or restoration of international peace or security, or for the protection of its own essential security interests, or in order to carry out obligations it has accepted for the purpose of maintaining international security.

ARTICLE 11.2: TAXATION

1. Except as set out in this Article, this Agreement does not apply to a taxation measure.

2. This Agreement does not affect the rights and obligations of a Party under a tax convention. In the event of any inconsistency between this Agreement and a tax convention, the tax convention prevails.

3. If a provision with respect to a taxation measure under this Agreement is similar to a provision under a tax convention, the competent authorities identified in the tax convention shall use the procedural provisions of that tax convention to resolve an issue that may arise under this Agreement.

4. Notwithstanding paragraphs 2 and 3:

(a) Article 2.7 (National Treatment) and the provisions of this Agreement necessary to give effect to that Article apply to a taxation measure to the same extent as Article III of the GATT 1994; and
(b) Article 2.4 (Duties on Exports) shall apply to a taxation measure.

ARTICLE 11.3: BALANCE OF PAYMENTS

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance of payments purposes.

2. A Party in serious balance of payments difficulties, or under imminent threat thereof, may, in accordance with the conditions established under the GATT 1994 and the WTO Understanding on the Balance of Payments Provisions of the GATT 1994, adopt trade restrictive measures, which shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance of payments situation.

3. The Party introducing a measure under this Article shall promptly notify the other Party thereof.

ARTICLE 11.4: DISCLOSURE OF INFORMATION

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information the disclosure of which would be contrary to its domestic legal system, impede law enforcement, or otherwise be contrary to public interest, or which would prejudice the legitimate commercial interests of individuals or of particular enterprises, public or private.

CHAPTER TWELVE

FINAL PROVISIONS

ARTICLE 12.1: ANNEXES

1. The annexes, appendices and footnotes to this Agreement constitute an integral part of this Agreement.

ARTICLE 12.2: AMENDMENTS

1. This Agreement may be amended in writing by mutual consent of the Parties.

2. Amendments to this Agreement shall enter into force and constitute an integral part of this Agreement in accordance with the procedures set forth in Article 12.3.

ARTICLE 12.3: ENTRY INTO FORCE

This Agreement shall enter into force 60 days following the date of the latter Diplomatic Note by which the Parties notify each other that their internal legal procedures for the entry into force of the Agreement have been completed**.**

ARTICLE 12.4: DURATION AND WITHDRAWAL

1. This Agreement shall be valid for an indefinite period.

2. Any Party may withdraw from this Agreement by means of a written Diplomatic Note to the other Party. Such withdrawal shall become effective six months after the date of receipt of such notification by the other Party.

ARTICLE 12.5: AMENDMENTS TO THE WTO AGREEMENT

1. The Parties understand that any provision of the WTO Agreement incorporated into this Agreement, is incorporated with any amendments which have entered into force for both Parties at the time such provision is applied.

2. If any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended, the Parties may consult on whether it is necessary to amend this Agreement in light of such amendment to the WTO Agreement.

ARTICLE 12.6: REVIEW CLAUSE

Without prejudice to the obligations to review specific obligations of this Agreement, the Parties undertake to review this Agreement within three years of its entry into force and every five years thereafter unless otherwise agreed by the Parties in the light of further developments in international trade relations including in the framework of the WTO Agreement, and other agreements to which both Parties are party, with a view to examining the further development and deepening the cooperation under this Agreement and to extend it to areas not covered therein.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done at Jerusalem, on January 21, 2019 which corresponds to the 15 day of Shevat in the year 5779 in the Hebrew calendar, in two original copies, each in the Hebrew, Ukrainian and English languages, all texts being equally authentic. In case of divergence of interpretation or any discrepancies, the English text shall prevail.

_____	_____
For the Government of the State of Israel	**For the Cabinet of Ministers of Ukraine**