

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES¹

Notification under Article 7.3 of the
Agreement on Import Licensing Procedures

ISRAEL

The following notification, dated 16 October 2006, has been received from the Delegation of Israel.

Outline of Systems

1. *Give a brief description of each licensing system as a whole and, with respect to each, reply to the following questions as relevant, placing all of the material with respect to a given system in sequence together, and using cross references as appropriate when elements which have already been described are also present in another system.*

The import licensing system is regulated primarily by:

- Free Import Order of 2006 (replacing Free Import Order of 1978), Article 5(4) and Schedules 1 - 2, for purposes of citizens' security and safety, and consumers' welfare.
- Israeli Customs Tariff and Exemptions and Tax Order of 2006, Schedule 5; for purposes of MFN tariff quota management, under the GATT.

These Orders establish the list of goods subject to import licensing. The first Order is administered by the Israeli Ministry of Industry, Trade & Labour, at the Foreign Trade Administration. The second Order is administrated by the Israeli Tax Authority at the Israeli Ministry of Finance.

Purposes and Coverage of Licensing

2. *Identify each licensing system maintained and state what products, appropriately grouped, are covered.*

Schedules 1 and 2 of the Free Import Order of 2006 list products subject to non-automatic licensing.

Israeli Customs Tariff and Exemptions and Purchase Tax on Goods Order of 2006, Schedule 5, regulates the non-automatic licensing of GATT MFN tariff quotas.

¹ See document G/LIC/3, Annex, for the Questionnaire.

3. *The system applies to goods originating in and coming from which countries?*

The systems mentioned above apply to goods originating in and coming from all WTO countries.

4. *Is the licensing intended to restrict the quantity or value of imports, and if not, what are its purposes? Have alternative methods of accomplishing the purposes been considered and if so which? Why have they not been adopted?*

Free Import Order of 2006: Import licenses are required for imports for safety and security reasons.

Israeli Customs Tariff and Exemptions and Tax Order of 2006, Schedule 5: Import licenses are required for imports for tariff quota management purposes.

5. *Cite the law, regulation and/or administrative order under which the licensing is maintained. Is the licensing statutorily required? Does the legislation leave designation of products to be subjected to licensing to administrative discretion? Is it possible for the government (or the executive branch) to abolish the system without legislative approval?*

The licensing system is based on official regulations (promulgated under law).

Regarding the Israeli Customs Tariff and Exemptions and Tax Order of 2006, Schedule 5, no administrative discretion is allowed for the government in order to abolish the system without legislative approval.

Regarding the Free Import Order of 2006, Schedules 1-2 list the tariff items that require a licensing process. Under special circumstances there exists the possibility of granting an exemption from these requirements.

Procedures

6. *For products under restriction as to the quantity or value of imports (whether applicable globally or to a limited number of countries or whether established bilaterally or unilaterally):*

I. *Is information published, and where, concerning allocation of quotas and formalities of filing applications for licences? If not, how is it brought to the attention of possible importers? Of governments and export promotion bodies of exporting countries and their trade representatives? Is the overall amount published? The amount allocated to goods from each country? The maximum amount allocated to each importer? How to request any exceptions or derogations from the licensing requirement?*

For products under restriction, according to Israeli Customs Tariff and Exemptions and Purchase Tax on Goods Order of 2006, Schedule 5: The quota system is administered by the Ministries of Agriculture and Rural Development (for agricultural products and fresh food) and Industry, Trade, and Labor (for processed food). At the end of each calendar year, both Ministries announce the opening of the quotas on their websites and in two daily newspapers. The announcement includes information on source countries, HS codes, and quota volumes. There are no restrictions on eligibility.

II. *How is the size of the quotas determined: on a yearly, six-monthly or quarterly basis? Are there cases where the size of quota is determined on a yearly basis but licences are issued for imports on a six-monthly or quarterly basis? In the latter case, is it necessary for importers to apply for fresh licence on a six-monthly or quarterly basis?*

Quotas are determined on an annual basis. All import licenses issued by the Ministry of Industry, Trade and Labor and most licenses issued by the Ministry of Agriculture and Rural Development, are valid from 1 January to 31 July.² In midyear, the Ministries publish another notice, inviting importers to submit requests for the quantities not utilized. Those licenses are valid from 1 September to 25 December.

- III. *Are licences allotted for certain goods partly or only to domestic producers of like goods? What steps are taken to ensure that licences allocated are actually used for imports? Are unused allocations added to quotas for a succeeding period? Are the names of importers to whom licences have been allocated made known to governments and export promotion bodies of exporting countries upon request? If not, for what reason? (Indicate products to which replies relate.)*

Licences are allotted to importers regardless of whether they are producers of like products. Guidelines determine that licensees that do not utilize the licences issued to them cannot submit requests for licenses for these products in the following year. Unused allocations are not added to quotas for the next year. The list of importers to whom licences have been allocated is published on the web site of the Ministries.

- IV. *From the time of announcing the opening of quotas, as indicated in I above, what is the period of time allowed for the submission of applications for licences?*

From the time of announcing the opening of quotas, a period of four weeks is allowed for the submission of applications for licences.

- V. *What are the minimum and maximum lengths of time for processing applications?*

Applications for licences are processed within 1 to 2 months.

- VI. *How much time remains, at a minimum, between the granting of licences and the date of opening of the period of importation?*

Import licences are granted on the date of opening of the period of importation. If necessary, the licences are extended for another period of time.

- VII. *Is consideration of licence applications effected by a single administrative organ? Or must the application be passed on to other organs for visa, note or approval? If so, which? Does the importer have to approach more than one administrative organ?*

In most cases, licence applications are considered by one administrative organ. The specific organs which must be approached, relevant to the product, are specified in Schedules 1 and 2 of the Free Import Order of 2006.

- VIII. *If the demand for licences cannot be fully satisfied, on what basis is the allocation to applicants made? First come, first served? Past performance? Is there a maximum amount to be allocated per applicant and, if so, on what basis is it determined? What provision is made for new importers? Are applications examined simultaneously or on receipt?*

Licences are issued mainly on the basis of past performance. A portion of the quota is allocated to new importers. Applications are examined on receipt.

² The validity of some licences issued by the Ministry of Agriculture is shorter. In these cases, importers may submit requests throughout the year.

- IX. *In the case of bilateral quotas or export restraint arrangements where export permits are issued by exporting countries, are import licences also required? If so, are licences issued automatically?*

There are no such arrangements.

- X. *In cases where imports are allowed on the basis of export permits only, how is the importing country informed of the effect given by the exporting countries to the understanding between the two countries?*

Non applicable.

- XI. *Are there products for which licences are issued on condition that goods should be exported and not sold in the domestic market?*

No.

7. *Where there is no quantitative limit on importation of a product or on imports from a particular country:*

- (a) *How far in advance of importation must application for a licence be made? Can licences be obtained within a shorter time-limit or for goods arriving at the port without a licence (for example, owing to inadvertency)?*

There is no requirement for a certain period of time between the application for a licence and the importation of the goods. Licences can be obtained for goods arriving at the port without a licence.

- (b) *Can a licence be granted immediately on request?*

Under certain circumstances, a licence can be granted immediately on request.

- (c) *Are there any limitations as to the period of the year during which application for licence and/or importation may be made? If so, explain.*

There are no limitations as to the period of the year during which application for licence and/or importation may be made.

- (d) *Is consideration of licence applications effected by a single administrative organ? Or must the application be passed on to other organs for visa, note or approval? If so, which? Does the importer have to approach more than one administrative organ?*

An importer has to approach only one administrative organ in connection with an application.

8. *Under what circumstances may an application for a licence be refused other than failure to meet the ordinary criteria? Are the reasons for any refusal given to the applicant? Have applicants a right of appeal in the event of refusal to issue a licence and, if so, to what bodies and under what procedures?*

None. The reasons for any refusal are given to the applicant in writing. In the event of refusal to issue a licence, the applicant has a right of appeal by petitioning the High Court of Justice.

Eligibility of Importers to Apply for Licence

9. *Are all persons, firms and institutions eligible to apply for licences:*

- (a) *under restrictive licensing systems?*
- (b) *under non-restrictive systems?*

If not, is there a system of registration of persons or firms permitted to engage in importation? What persons or firms are eligible? Is there a registration fee? Is there a published list of authorized importers?

All persons, firms and institutions are eligible to apply for licences.

Documentational and Other Requirements for Application for Licence

10. *What information is required in applications? Submit a sample form. What documents is the importer required to supply with the application?*

A sample application form is attached. There are no standard documents that apply for all products.

11. *documents are required upon actual importation?*

Upon actual importation, an importer is required to submit the import licence.

12. *Is there any licensing fee or administrative charge? If so, what is the amount of the fee or charge?*

There is no licensing fee or administrative charge, except for standardization tests performed by the Standards Institution of Israel.

13. *Is there any deposit or advance payment requirement associated with the issue of licences? If so, state the amount or rate, whether it is refundable, the period of retention and the purpose of the requirement.*

No.

Conditions of Licensing

14. *What is the period of validity of a licence? Can the validity of a licence be extended? How?*

The validity of the licences varies according to the nature of the goods. It ranges from a licence per shipment to a licence for one year from the date of issue. The extension of the licence will be considered if the applicant so requests.

15. *Is there any penalty for the non-utilization of a licence or a portion of a licence?*

There is no penalty for the non-utilization of a licence or a portion of it.

16. *Are licences transferable between importers? If so, are any limitations or conditions attached to such transfer?*

Licences are transferable between importers, unless otherwise stated in the license.

17. *Are any other conditions attached to the issue of a licence:*

(a) *For products subject to quantitative restriction?*

(b) *For products not subject to quantitative restriction?*

No.

Other Procedural Requirements

18. *Are there any other administrative procedures, apart from import licensing and similar administrative procedures, required prior to importation?*

There are no other administrative procedures, apart from import licensing, required prior to importation.

19. *Is foreign exchange automatically provided by the banking authorities for goods to be imported? Is a licence required as a condition to obtaining foreign exchange? Is foreign exchange always available to cover licences issued? What formalities must be fulfilled for obtaining the foreign exchange?*

Foreign exchange is automatically provided by the banking authorities for goods to be imported.
