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Page: 1/3

Committee on Import Licensing

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES¹

NOTIFICATION UNDER ARTICLE 7.3 OF THE AGREEMENT ON IMPORT LICENSING PROCEDURES

ISRAEL

The following communication, dated 3 October 2013, is being circulated at the request of the delegation of Israel.

Outline of System

1. The import licensing system is regulated primarily by:

- Free Import Order of 2012 (replacing Free Import Order of 2006), Article 6, and annexes 1-2, for purposes of public security, health and safety, and consumer welfare.
- Israeli Customs Tariff and Exemptions and Tax Order of 2012, Annexes 3-10; for purposes of MFN tariff quota management, under the GATT and the Free Trade Area Agreements (FTAs).

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

Purposes and coverage of licensing

2. Annexes 1 and 2 of the Free Import Order of 2012 list products subject to non-automatic licensing.

Israeli Customs Tariff and Exemptions and Purchase Tax on Goods Order of 2012, Annexes 3-10, regulates the non-automatic licensing of GATT and FTA MFN tariff quotas.

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

4. Free Import Order of 2012: Import licenses are required for imports for safety and security reasons.

Israeli Customs Tariff and Exemptions and Tax Order of 2012, Annexes 3-10: Import licenses are required for imports of agricultural products and fresh food for tariff quota management purposes.

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

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

Regarding the Free Import Order of 2012, Annexes 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.

Regarding the Israeli Customs Tariff and Exemptions and Tax Order of 2012, Annexes 3-10 no administrative discretion (exemption) is allowed for the government in order to abolish the system without legislative approval.

Procedures

- 6.I. For products under restriction, according to Israeli Customs Tariff and Exemptions and Purchase Tax on Goods Order of 2012 Annexes 3-10. The quota system is administered by the Ministries of Agriculture and Rural Development (for agricultural products and fresh food) and Industry, Trade, and Labour (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.
- II. Quotas are determined on an annual basis. All import licenses issued by the Ministry of Industry, Trade and Labour 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. 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, a period of four weeks is allowed for the submission of applications for licences.
- V. Applications for licences under preferential and WTO quotas are normally processed within 4 to 6 weeks. Some applications are processed within a shorter time frame.
- VI. 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. 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 Annexes 1 and 2 of the Free Import Order of 2012.
- VIII. Allocation is generally determined according to demand and size of quotas. Specific methods of allocation are determined according to size of the quotas and number of applicants. The methods used include - lottery (separate fully automated lotteries for "experienced" importers and for new importers), and FCFS. In general- the quotas are divided into equal portions, for allocation between applicants. Maximum allocation per importer may not exceed 20 per cent of a given quota.

Priority is given to local producers, in allocation of raw materials, in proportion to the volume of the producers' consumption of materials under quotas.

Applications are examined on receipt.
- IX. There are no such arrangements.
- X. Non applicable.

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

XI. No.

- 7.(a) 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) Under certain circumstances, a licence can be granted immediately on request.
- (c) There are no limitations as to the period of the year during which application for licence and/or importation may be made.
- (d) An importer has to approach only one administrative organ in connection with an application.
8. 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. All persons, firms and institutions are eligible to apply for licences.

Documentation and other requirements for application for licence

10. A sample application form is attached. There are no standard documents that apply for all products.
11. Upon actual importation, an importer is required to submit the import licence.
12. There is no licensing fee or administrative charge, except for standardization tests performed by the Standards Institution of Israel.
13. No.

Conditions of licensing

14. The validity of the licences varies according to the nature of the goods. It ranges from a licence per shipment to a licence for five months from the date of issue. The extension of the licence will be considered if the applicant so requests.
15. There is no penalty for the non-utilization of a licence or a portion of it. Nevertheless, importer who did not utilize a license may not apply for the reserves or the year after.
16. Licences are not transferable between importers, unless otherwise stated in the license.
17. No.

Other procedural requirements

18. There are no other administrative procedures, apart from import licensing, required prior to importation.
19. Foreign exchange is automatically provided by the banking authorities for goods to be imported.
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