



Committee on Regional Trade Agreements

FACTUAL PRESENTATION

FREE TRADE AGREEMENT BETWEEN ISRAEL AND COLOMBIA
(GOODS AND SERVICES)

Report by the Secretariat

This report, prepared for the consideration of the Free Trade Agreement between Israel and Colombia, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The factual presentation reproduces as closely as possible the terminology used in the Agreement and in the comments provided and does not imply official endorsement or acceptance by the Secretariat of such terminology. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671) and thus does not imply any value judgement by the Secretariat regarding the contents of the Agreement.

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Key Facts

Parties to the Agreement:	Israel and Colombia
Date of Signature:	30 September 2013
Date of Entry into Force:	11 August 2020
Date of Notification:	14 March 2023
Full implementation:	2038

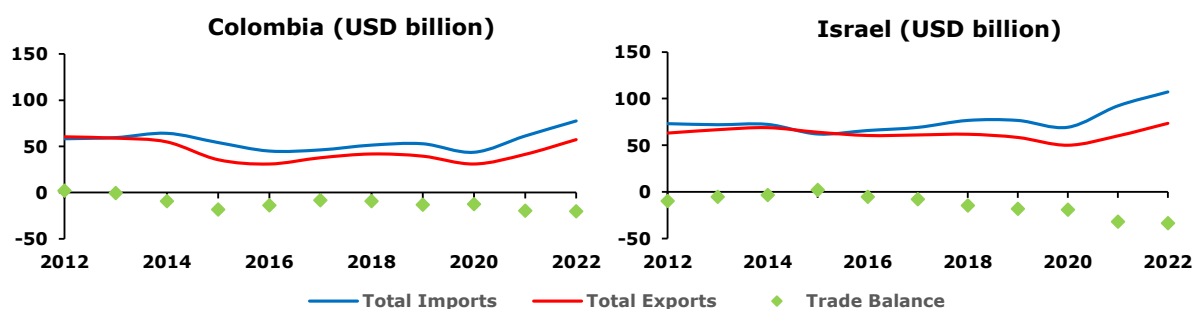
1 TRADE ENVIRONMENT

1.1. The Free Trade Agreement (hereafter "the Agreement") between Colombia and Israel is one of 15 RTAs notified by Colombia and one of 11 RTAs notified by Israel that are currently in force.¹ The Agreement is the first one notified by Israel that covers trade in both goods and services. In 2022, Colombia had a population of 51.9 million and a GDP of USD 343.9 billion, whereas Israel, with a population of 9.6 million, recorded a GDP of USD 522.5 billion. The trade-to-GDP ratio was 19.9% for Colombia, and 28% for Israel.²

1.1 Merchandise trade

1.2. In 2022, Colombia's total merchandise trade amounted to USD 134.4 billion, with exports valued at USD 57 billion and imports at USD 77.4 billion. It was the 39th largest exporter and the 33rd largest importer of global merchandise, accounting for 0.23% of global exports and 0.3% of imports. In comparison, Israel's total merchandise trade reached USD 180.9 billion, with exports totalling USD 73.6 billion and imports USD 107.3 billion. It was the 34th largest exporter and 26th largest importer of global merchandise trade, corresponding to 0.3% of global exports and 0.42% of imports. Colombia's exports were led by fuels and mining products, followed by agricultural and manufacturing, accounting for 49.3%, 23.4%, and 22.2%, respectively, of its total exports, while its imports consisted mainly of manufactured products, at 76% of total imports. Israel's trade primarily consisted of manufactured products, accounting for 88% of total exports and 76.2% of imports. Chart 1.1 shows the global trade trends of the Parties from 2012 to 2022. With small surpluses recorded in 2012 for Colombia and in 2015 for Israel, both Parties maintained a trade deficit for the rest of the period.

Chart 1.1 Colombia-Israel: Global merchandise trade (2012-22)



Source: Based on data from UNSD-Comtrade database.

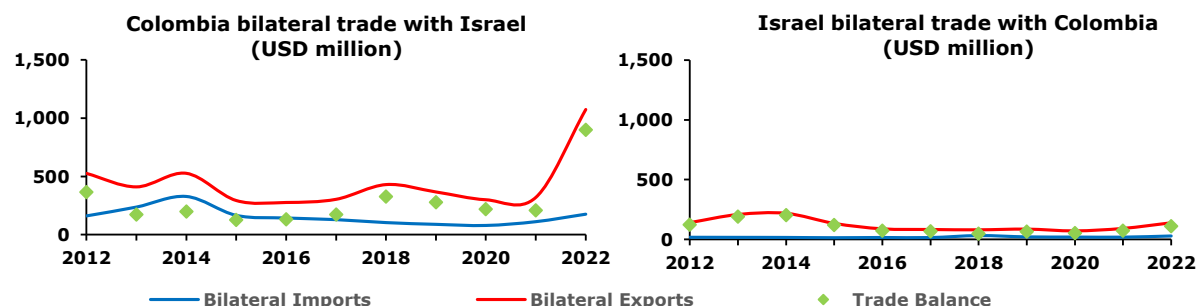
1.3. In their bilateral trade, Colombia was Israel's 26th largest destination for exports and 46th largest source of imports, accounting for 0.2% of total exports and 0.03% of imports. Israel was Colombia's 13th largest destination for exports and 26th largest source of imports, representing 1.9%

¹ Based on rtais.wto.org, as of November 2023.

² Unless specified otherwise, the data in the section (trade environment) are sourced from WTO Trade Profiles 2023, as of November 2023, using reported data for 2022. World trade ranks and shares exclude intra-EU trade.

of its total exports and 0.2% of imports. Chart 1.2 further illustrates the bilateral trade trends between the Parties from 2012 to 2022. Data extracted from UNSD show that both Parties maintained trade surpluses during this period, with Colombia's surplus with Israel, increasing substantially from 2021 to 2022.³

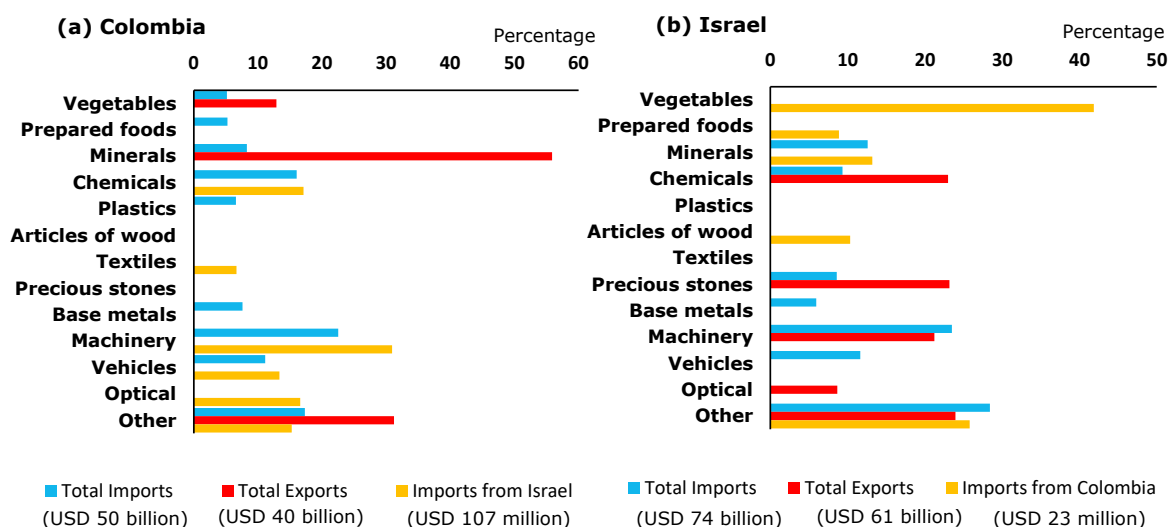
Chart 1.2 Colombia-Israel: Bilateral merchandise trade (2012-22)



Source: Based on data from UNSD-Comtrade database.

1.4. Chart 1.3 below breaks down the product composition of average imports and exports in 2017-2019 (three years before the Agreement came into force) for merchandise trade between the Parties and globally, based on Harmonized System (HS) Sections. The data reveals some degree of complementarities in trade between the Parties. Colombia's primary export categories, minerals, and vegetables made up an average of 68.8% of its total exports, with mineral products alone accounting for 55.9%. The same categories constituted 55% of Israel's imports from Colombia (13.2% from mineral products and 41.8% from vegetables). In addition, articles of wood and prepared foods also represented significant imports from Colombia, making up 10.3% and 8.9% of imports, respectively. Israel's main export categories, precious stones, chemicals, and machinery, accounted for 67.4% of its total exports. Except for precious stones, these categories represented 48% of Colombia's imports from Israel. Other noteworthy product categories in Colombia's imports from Israel include optical instruments and motor vehicles, contributing 16.6% and 13.4% to imports, respectively.

Chart 1.3 Colombia-Israel: product composition of merchandise trade, by HS Sections, annual average (2017-19)



Note: HS sections with less than a 5% share of trade are shown under 'Other' in the Chart.

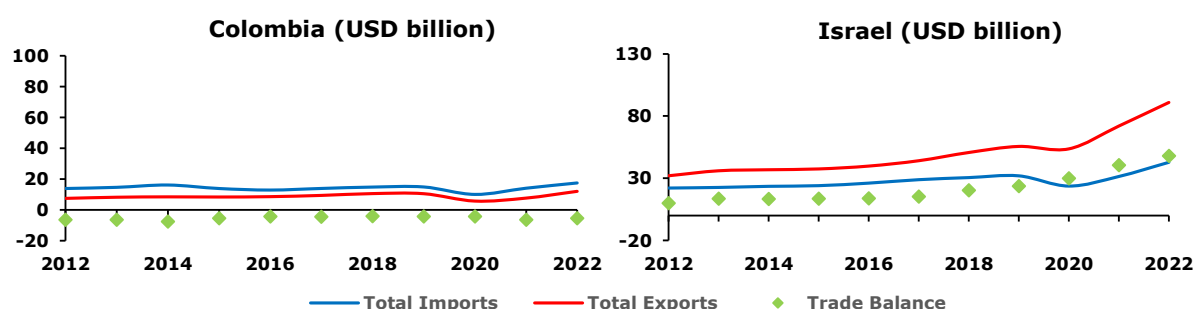
Source: Based on data from UNSD-Comtrade database.

³ The Parties mentioned that the discrepancies in the data could be attributed to the application of varying methodologies during the compilation of data.

1.2 Trade in services and investment

1.5. In 2022, Colombia's total trade in commercial services was valued at USD 29.4 billion (exports of USD 12 billion and imports of USD 17.4 billion), ranking as the 35th largest exporter and 36th largest importer globally. In comparison, Israel's total trade in commercial services reached USD 133.7 billion (exports of USD 90.8 billion and imports of USD 42.9 billion), making it the 12th largest exporter and 23rd largest importer in the world. Colombia's exports are primarily travel and other commercial services, accounting for 49.2% and 32.5% of total exports, respectively, while its imports are led by other commercial services, followed by transport and travel, making up 37.9%, 36.8%, and 24.7% of total imports, respectively. Israel's trade is dominated by other commercial services, representing 72.4% of total exports and 52.2% of imports. Chart 1.4 shows the Parties' global trade in commercial services from 2012 to 2022. Colombia consistently maintained a small deficit, while Israel was a net exporter of commercial services globally, with a widening surplus since 2017. Time series data on bilateral trade for the period 2012-2022 are not available.

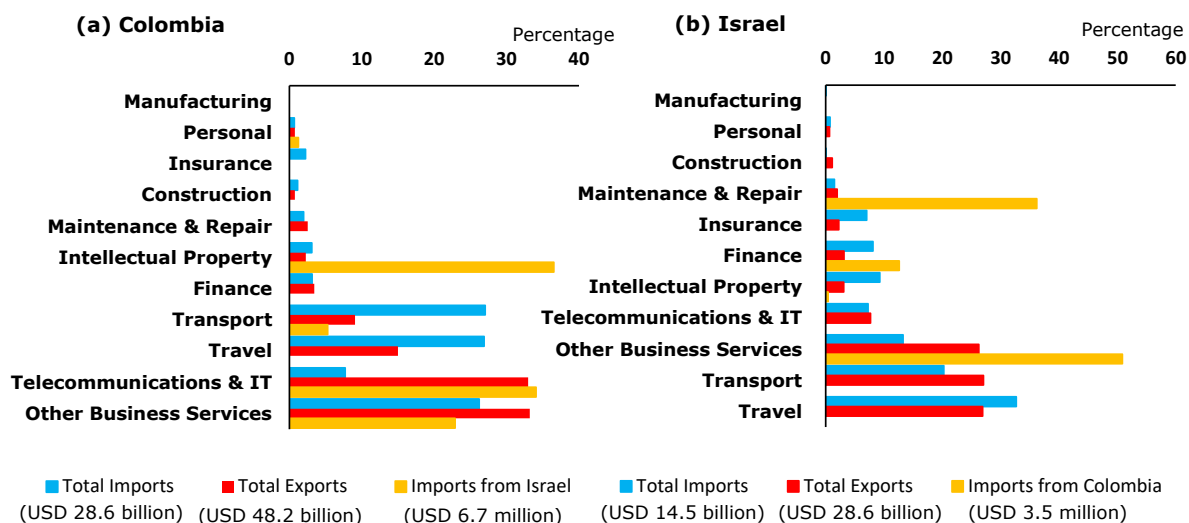
Chart 1.4 Colombia-Israel: Trade in commercial services with world (2012-22)



Source: WTO Statistics database.

1.6. Chart 1.5 further illustrates the composition of the Parties' global and bilateral services trade by sector, averaged over 2017-2019. Colombia's total average trade (exports + imports) is dominated by other business services, followed by telecommunications and IT, and travel services. Israel's trade is dominated by travel, followed by transport and other business services. In their bilateral trade, Colombia mainly imported other business and transport services from Israel, while the primary Israeli import sectors were other business, followed by maintenance and repair, and finance services.

Chart 1.5 Colombia-Israel: Sectoral composition of commercial services trade (Average 2017-19)



Note: There is no import/export data for manufacturing services in Colombia's global trade and no import/export data on manufacturing, maintenance and repair, travel, construction, insurance, and

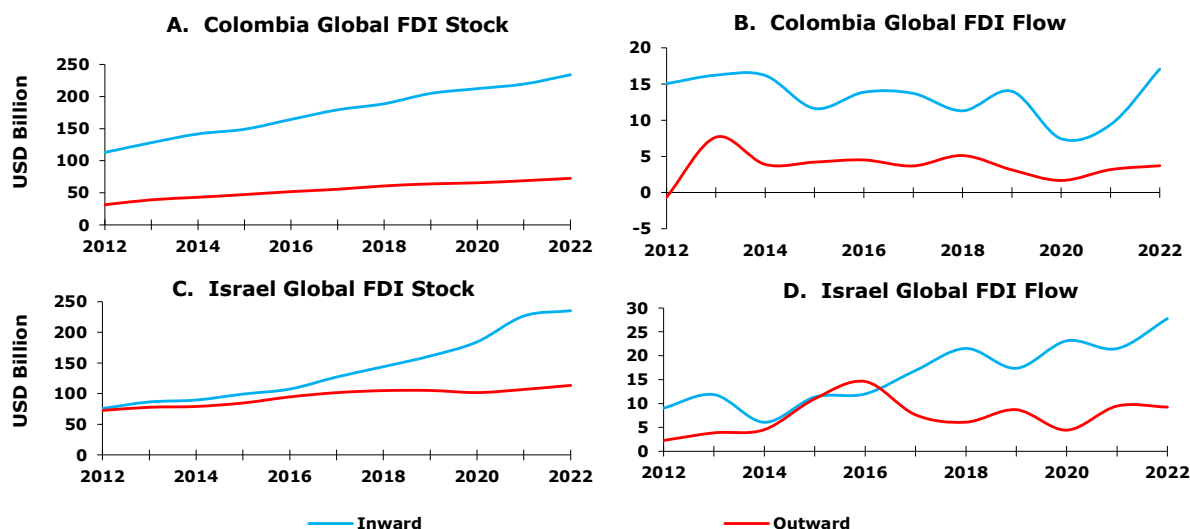
finance services in bilateral trade. There is also no bilateral export data for intellectual property and personal, cultural, and recreational services.

For Israel, there is no export/import data for manufacturing, transport, travel, construction, insurance, and personal, cultural, and recreational services, no export data for maintenance and repair services, and no import data for telecommunications and IT services in 2019.

Source: Based on data from the Parties and the WTO Statistics Database.

1.7. Chart 1.6 below presents the Parties' foreign direct investment (FDI) stocks and flows during 2012-2022. Both Parties are net FDI recipients with Israel experiencing a sharp growth in inward FDI since 2016.

Chart 1.6 Colombia-Israel: FDI stock and flow with world (2012-22)



Source: Based on data from the UNCTADStat.

2 CHARACTERISTIC ELEMENTS OF THE AGREEMENT

2.1 Background information

2.1. The Agreement was signed by the Parties on 30 September 2013 and entered into force on 11 August 2020. It was notified to the WTO on 14 March 2023 under GATT Article XXIV:7(a) and Article V:7(a) of the GATS (WT/REG468/N/1 and S/C/N/1133).

2.2. The Agreement shall remain in effect indefinitely unless one Party notifies the other that it intends to terminate the Agreement.⁴ It can also be amended (Article 15.2), and the amendments shall enter into force 60 days after the exchange of diplomatic notes on the completion of their internal legal procedures for the entry into force of the Agreement (Article 15.3).

2.3. The text of the Agreement is available, together with its related Annexes (which are also an integral part of the Agreement), on the following official websites:

Colombia: <https://www.tlc.gov.co/acuerdos/vigente/israel>

Israel: https://www.gov.il/BlobFolder/policy/israel-colombia-fta/he/sahar-hutz_agreements_colombia-en-agreement2020.pdf

⁴ See Section 5.4 (Accession and Withdrawal).

2.4. The Agreement contains 15 Chapters and 22 Annexes. Box 2.1 provides its structure.

Box 2.1 Structure of the Agreement

Chapters and Annexes:	
Preamble	
Chapters:	
1	Initial Provisions and General Definitions
2	Market Access for Goods
3	Rules of Origin
4	Customs Procedures
5	Technical Assistance and Trade Capacity Building
6	Sanitary and Phytosanitary (SPS) Measures
7	Technical Barriers to Trade (TBT)
8	Trade Remedies
9	Government Procurement
10	Investments
11	Trade in Services
12	Dispute Settlement
13	Institutional Provisions
14	Exceptions
15	Final Provisions
Annexes:	
A	On Mutual Administrative Assistance in Customs Matters
B	Electronic Commerce
2-A	Gradual Tariff Elimination Schedules for Industrial Goods Section 1-A: Colombia Section 1-B: Israel
2-B	Preferential Treatment for Agricultural Goods Section 1-A and B: Colombia Section 2- A and B: Israel
2-C	National Treatment, Customs Duties on Exports and Imports, and Export Restrictions
3-A	Product Specific Rules of Origin
3-B	Certification of Origin
3-C	Invoice Declaration Pursuant to Article 3.19
3-D	Procedures for the Issuance of Electronic Certificates of Origin (Article 3.16)
3-E	Procedures for the Issuance of Paper Certificates of Origin (Article 3.16)
3-F	Exemption from the Principle of Territoriality
7-A	Sub-Committee, Contact Point and TBT Enquiry Point on TBT
9-A	List of Commitments (Pursuant to Chapter 9) Part 1: Colombia Part 2: Israel
9-B	Electronic or Paper Media Utilized by the Parties for the Publication of Notices (Pursuant to Chapter 9)
10-A	Presentation of Documents to a Party (Pursuant to Chapter 10)
11-A	List of MFN Exemptions Section 1: Colombia Section 2: Israel
11-B	Movement of Natural Persons Supplying Services
11-C	Financial Services
11-D	Telecommunication Services
11-E	Schedule of Specific Commitments Section 1: Colombia Section 2: Israel
12-A	Rules of Procedures for Arbitral Tribunal Proceedings
12-B	Code of Conduct

Source: WTO Secretariat based on the Agreement.

3 PROVISIONS ON TRADE IN GOODS

3.1 Import duties and charges, and quantitative restrictions

3.1.1 General provisions

3.1. Chapter 2 of the Agreement governs market access for trade in goods between the Parties. The Parties will eliminate or reduce customs duties on each other's originating goods as per Section B of the Chapter for industrial products and Section C for agriculture products.

3.2. The Parties grant national treatment to each other's goods in accordance with Article III of the GATT, including its Interpretative Notes, which are incorporated into and made an integral part of the Agreement (Article 2.3). As an exception, Colombia will maintain measures relating to the taxation of alcoholic beverages pursuant to the *Impuesto al Consumo* provided for in Law No. 788 of 27 December 2002 and Law No. 223 of 22 December 1995 for no longer than 1 year after the entry into force of the Agreement (Annex 2-C).

3.3. With regard to fees and other charges, each Party must adhere to GATT Article VIII and its Interpretative Notes, ensuring that fees and charges related to imports or exports are cost-based, without providing indirect protection to domestic goods or serving as fiscal taxation on imports or exports. Additionally, the Parties should strive to provide up-to-date information on these fees and charges, ideally *via* the Internet.

3.4. Unless otherwise provided in the Agreement, the Parties agree not to adopt or maintain any prohibition or restriction on bilateral imports (and exports) while reaffirming their rights and obligations under Article XI of GATT 1994, including its Interpretative Notes, which are incorporated into the Agreement, *mutatis mutandis* (Article 2.12). This provision does not apply to goods imported by Colombia as specified in Chapter II of Decree 925, dated 2013 (Annex 2-C).

3.5. To determine the customs value of goods traded between the Parties, the provisions of Article VII of the GATT and its Interpretative Notes, as well as the WTO Agreement on Customs Valuation, are incorporated into the Agreement, *mutatis mutandis*.

3.6. No Party shall adopt or maintain a measure that is inconsistent with the WTO Agreement on Import Licensing Procedures which is incorporated into and made an integral part of this Agreement, *mutatis mutandis* (Article 2.9).

3.7. A Sub-Committee on Market Access is established under Article 2.13.

3.1.2 Liberalization of trade and tariff lines

3.8. Unless otherwise provided for in the Agreement, each Party shall eliminate customs duties on originating goods of the other Party according to the terms and conditions set forth in its tariff liberalization schedules. The liberalization process is subject to a transition period, with full implementation (elimination and reduction of tariffs) to end in 2038 for Colombia and 2031 for Israel.

3.9. Tariff liberalization schedules for industrial goods can be found in Annex 2-A (Section 1-A for Colombia and 1-B for Israel), and for agricultural products in Annex 2-B (Sections 1-A and 1-B for Colombia and Section 2-A and 2-B for Israel).

3.10. The Agreement defines industrial products as those under HS Chapters 25-97 with the exception of some subheadings⁵, and the rest as agriculture. The base rate for customs duties, subject to reductions, is the MFN rate as of January 1, 2012. The Parties are prohibited from increasing base rates, adopting new customs duties, or equivalent charges unless specified (Article 2.14). Upon the request of either Party, consultations shall be initiated to accelerate duty elimination for industrial products as outlined in their Schedules under Annex 2-A.

⁵ 3501.90, 3502.11, 3502.19, 3502.20, 3502.90, 3505.10, 3505.20, 3823.11, 3823.12, 3823.13, 3823.19 and 3824.60 (these subheadings are considered as agricultural products)

3.11. Colombia may apply the Andean Price Band (APB) System established in Decision 371 of the Andean Community and its modifications, or subsequent systems for agricultural goods covered by such decisions (Article 2.18).

3.1.3 Liberalization schedule

3.12. In the following sections, unless explicitly stated, the analysis of tariffs and trade liberalization is based on the data provided by the Parties. Import data for Colombia were sourced from the WTO-IDB database, and export data from the UNSD Comtrade database for both Parties. The tariff nomenclature used was HS 2017. The computation excludes tariff lines subject to in-quota rates. When calculating the average tariff, specific rates of duty are excluded, and only the *ad valorem* part of alternate rates is included.

3.1.3.1 Colombia

3.13. Table 3.1 below presents Colombia's tariff elimination commitments under the Agreement. In 2020, 53.6% of Colombia's tariff (4,175 lines) was duty-free on an MFN basis, corresponding to an average of 67.7% of its imports from Israel during 2017-19. Upon the entry into force of the Agreement in 2020, an additional 836 tariff lines became duty-free, corresponding to 12.7% of imports from Israel. After ten years of liberalization in 2029, Colombia would have liberalized an additional 1,634 lines corresponding to 19.5% of its imports. By the end of the duty elimination period in 2031, 85.4% of Colombia's tariff (6,647 lines) will be duty-free, corresponding to 99.8% of its imports from Israel. The remaining 14.6% (1,135 lines) of the tariff will still be dutiable, corresponding to 0.1% of its imports from Israel. Of these, tariffs on 25 lines will be reduced for imports from Israel with implementation period ending in 2038 for some lines.

3.14. In 2020, Colombia applied the APB to 157 tariff lines on an MFN basis, of which 25 tariff lines are covered under the Agreement. Among these 25 lines, one line is fully liberalized, and the *ad valorem* part of the duty for an additional line was eliminated upon the entry into force of the Agreement. Two tariff lines are subject to TRQs under the Agreement, and the *ad valorem* part of the duty will be eliminated for the remaining lines (1 line in 2024, 1 line in 2029, 9 lines in 2031, and 8 lines in 2038), while the variable component will still be maintained.

Table 3.1 Colombia: Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Tariff lines in Colombia's tariff schedule		Colombia's imports from Israel (2017-2019)	
	Number	%	Value (USD million)	%
MFN 2020	4,175 ^a	53.6	72.1	67.7
2020	836	10.7	13.5	12.7
2021	1	0.0	0.0	0.0
2022	20	0.3	0.0	0.0
2024	702	9.0	4.4	4.2
2026	741	9.6	15.1	14.2
2029	170	2.2	1.2	1.1
2031	2	0.0	0.0	0.0
Remain dutiable	1,135 ^b	14.6	0.2	0.1
Total	7,782	100.0	106.5	100.0

a 21 tariff lines from excluded categories were duty free on an MFN basis in 2020.

b 25 tariff lines are covered by the Agreement and their duties are reduced for the imports from Israel.

Source: WTO's estimate based on data provided by the Colombian authorities.

3.15. Table 3.2 further elaborates on Colombia's tariff elimination and reduction commitments by HS Sections with corresponding shares of imports from Israel during 2019-21. As a result of the Agreement, products from all HS Sections except Sections I-IV (animal products, vegetables, animal or vegetable fats, and prepared foods), and VI (chemicals) will be fully liberalized. The percentage

of lines for which duty is eliminated within the Sections, where duties remain, ranges from 3% (I) to 99.4% (VI). The average tariff for these Sections ranges from 10% in HS Section VI (chemical products) to 21.1% in Section I (animal products). A large portion of Colombia's imports from Israel during 2017-19 was under HS Sections XVI (machinery), VI (chemicals), and XVIII (optical) accounting for 30.9%, 17.1% and 16.6%, respectively, of its total imports from Israel⁶, which are fully liberalized under the Agreement.

Table 3.2 Colombia: Tariff elimination under the Agreement, by HS Section with corresponding share of imports from Israel

HS Section	MFN 2020			Lines under the Agreement							% of Imports		
	Avg. Tariff (%)	No. of lines	Duty free lines	Duty Free					Remain Dutiable ^x	Avg. Dutiable Tariff	Duty free		Remain dutiable
				2020	2021-22	2024	2026	2029-31			MFN	Under the Agreement*	
I	20.5	507	13	2					49	21.1			0.0
II	13.0	441	7	89	1	4		4	336	13.2		2.4	0.1
III	15.5	66		1				1	64	15.3			0.0
IV	14.1	314		61		14	1	7	231	14.0		0.0	0.0
V	0.6	198	174	24							1.4	0.0	
VI	1.6	1,495	1,209	154	3	70	36	11	12	10.0	11.3	5.8	0.0
VII	4.4	318	178	22	1	43	70	4			2.3	2.6	
VIII	7.8	85	25	22	5	11	21	1				0.0	
IX	2.6	145	113	7		8	8	9			0.0	0.0	
X	4.9	196	113	8		40	32	3			0.2	0.0	
XI	8.3	951	313	70	8	214	327	19			1.1	5.5	
XII	12.8	55	6	10		18	21					0.0	
XIII	2.9	169	121	10		20	18				0.6	0.0	
XIV	3.2	59	45	3		6	4	1			0.2	0.0	
XV	2.5	721	524	81		57	54	5			0.7	0.5	
XVI	1.8	1,259	996	149	3	57	45	9			26.7	4.2	
XVII	9.3	271	112	21		44	42	52			13.3	0.0	
XVIII	2.2	282	198	66		9	8	1			9.8	6.8	
XIX	14.9	69		23		34	12					3.7	
XX	11.8	174	28	13		48	40	45			0.0	0.4	
XXI	15.0	7				5	2					0.0	
Total	6.0	7,782	4,175	836	21	702	741	172	1,135	16.9	67.7	32.1	0.1

^x duties are reduced under the Agreement for some of the products under the Sections.

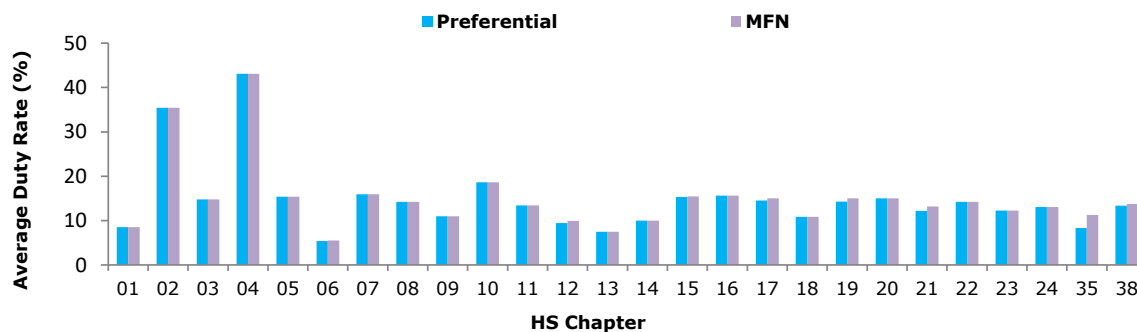
* Duty-free under the Agreement at the end of the implementation period.

Note: '0.0' of import indicates a negligible value that has been rounded to zero.

Source: WTO estimated based on data provided by Colombian authorities and from WTO-IDB database.

3.16. Chart 3.1 below presents average tariffs (MFN tariffs in 2020 and preferential tariffs at the end of implementation) by HS Chapter for 1,135 tariff lines, which remain dutiable for imports from Israel. All the remaining dutiable lines are agricultural products as defined under the Agreement. Average preferential rates are lower than their corresponding MFN rates in 2020 for Chapters 6, 12, 15, 17, 19, 21, 35, and 38, while the tariff lines from the other Chapters are excluded from the Agreement, thus MFN rates apply. The rates are relatively higher in Chapters 4 (dairy) and 2 (meat) at 43.1% and 34.5%, respectively.

⁶ Chemicals and machinery products are also Israel's major exports (See 1.4. 1.4.).

Chart 3.1 Colombia: Average of dutiable rates, by HS Chapter

Note: The MFN rates in 2020 are assigned as preferential duty rates for the products excluded from tariff liberalization under the Agreement.

Source: WTO's estimate based on data provided by the Colombian authorities.

3.1.3.2 Israel

3.17. Table 3.3 below summarizes Israel's tariff elimination under the Agreement. In 2020, 66.9% of Israel's tariff (5,721 lines) was duty-free on an MFN basis, which corresponded to 88.5% of its average imports from Colombia during 2017-19.⁷ Upon entry into force of the Agreement, an additional 1,953 tariff lines became duty-free, corresponding to 7.8% of its imports from Colombia. Israel will further liberalize 89 lines (0.1% of imports) in 2022 and 15 lines in 2024 (2.4% of imports). The remaining 9.1% (775 lines) of the tariff will still be dutiable, corresponding to 1.2% of its imports from Colombia. Of these, tariffs on 160 lines will be reduced for imports from Colombia, under which no imports entered in 2017-19.

Table 3.3 Israel: Tariff elimination commitments under the Agreement and corresponding average trade

Duty phase-out period	Tariff lines in Israel's tariff schedule		Israel's imports from Colombia (2017-2019)	
	Number	%	Value (USD million)	%
MFN 2020	5,721	66.9	21.8	88.5
2020	1,953	22.8	1.9	7.8
2022	89	1.0	0.0	0.1
2024	15	0.2	0.6	2.4
Remain dutiable	775^a	9.1	0.3	1.2
TOTAL	8,553	100.0	24.7	100.0

a Duties on 160 tariff lines covered by the Agreement are reduced for imports from Colombia.

Source: WTO estimates based on data provided by the Israeli authorities.

3.18. Table 3.4 further elaborates on Israel's tariff elimination commitments by HS Sections. As a result of the Agreement, products from all HS Sections, except Sections I-IV (animal products, vegetables, animal or vegetable fats, and prepared foods), and VI (chemicals), will be fully liberalized. The percentage of lines for which duty is eliminated within the Sections, where duties remain, ranges from 55.3% (III) to 99.3% (VI). The average tariff (on dutiable lines) for these Sections ranges from 10.3% in HS Section III to 74.6% in Section II. A large portion of Israel's imports from Colombia during 2017-19 falls under Sections II (vegetables), V (minerals), and IX (wood), accounting for 46.6%, 12.1%, and 9.5% of total imports from Colombia.⁸ Tariffs and imports

⁷ In 2020, Israel's MFN tariff consisted of 8,553 lines at the eight-digit level (HS 2017). 96.3% of the tariff rates were *ad valorem*, and 316 lines had *non-ad valorem* tariffs. Of which, 75 lines were subject to specific rates, 5 lines to compound rates, and 231 lines to mixed duties.

⁸ Minerals and vegetables products are also among Colombia's top global export items (See Chart 1.4.).

are fully liberalized for minerals and wood, while for vegetables 290 lines (under which 0.6% of Israel's imports from Colombia entered in 2017-19) still face duties.

Table 3.4 Israel: Tariff elimination under the Agreement, by HS Section with corresponding share of imports from Colombia

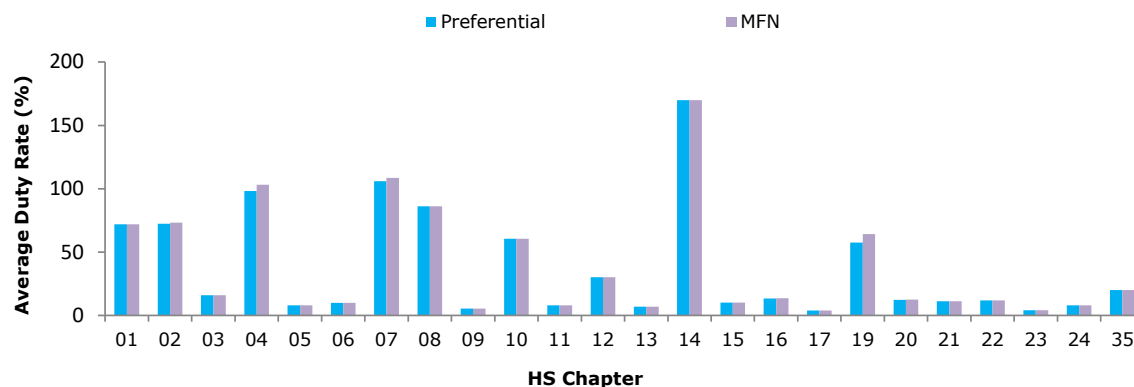
HS Section	MFN 2020			Lines under the Agreement				Avg. Dutiable Tariff	% of Imports		
	Avg. Tariff (%)	Number of lines	Duty free lines	Duty Free			Remain Dutiable		Duty free		Remain dutiable
				2020	2022	2024			MFN	Under the Agreement*	
I	23.2	552	293	8			251 ^x	56.5	0.0		0.4
II	47.8	462	164	8			290 ^x	74.6	45.2	0.8	0.6
III	4.8	94	50				44 ^x	10.3	0.3		
IV	7.3	388	193	11	1		183 ^x	14.6	6.5	1.9	0.3
V	0.3	171	164	7					12.1		
VI	1.2	988	865	114		2	7	20.0	2.5	0.3	
VII	3.9	330	191	138		1			3.2	1.4	
VIII	1.1	78	70	8					2.1	0.0	
IX	0.2	121	119	2					9.5		
X	3.4	176	118	56		2			0.0	2.5	
XI	0.6	1,215	1,152	50	12	1			2.2	0.1	
XII	0.9	50	46	4					0.1		
XIII	5.1	246	115	116	12	3			0.2	1.0	
XIV	4.2	79	45	34					1.7	0.0	
XV	3.3	1,062	660	401		1			0.1	1.5	
XVI	3.9	1,559	940	553	64	2			0.9	0.5	
XVII	3.9	384	179	203		2			0.1	0.0	
XVIII	2.7	337	221	115		1			0.2	0.2	
XIX	0.5	23	22	1							
XX	5.8	218	103	115					1.7	0.0	
XXI	4.8	20	11	9							
Total	6.5	8,553	5,721	1,953	89	15	775	49.9	88.5	10.2	1.2

* Duties are reduced under the Agreement for some of the products under the Sections.

* Duty-free under the Agreement at the end of the implementation period.

Source: WTO's estimate based on data provided by the Israeli authorities.

3.19. Chart 3.2 below presents average tariffs (MFN tariffs in 2020 and preferential tariffs at the end of implementation) by HS Chapter for 775 tariff lines that remain dutiable for imports from Colombia. All remaining dutiable lines are agricultural products as defined under the Agreement. Average preferential rates are lower than their corresponding MFN rates in Chapters 2, 4, 7, 8, 16, 19, and 20, while tariff lines excluded from the Agreement face MFN rates. The rates are highest in Chapter 14 (vegetables) at an average of 170% and tariffs for Chapters 7 and 4 also face applied duties close to 100%.

Chart 3.2 Israel: Average of dutiable rates, by HS Chapter

Note: The MFN rates in 2020 are assigned as preferential duty rates for the products excluded from tariff liberalization under the Agreement.

Source: WTO's estimate based on data provided by the Israeli authorities.

3.1.4 Tariff rate quotas (TRQs)

3.20. Both Parties maintain TRQs for certain agricultural products under the Agreement. Colombia applies TRQs on 12 categories of products (25 lines at the national tariff line level) including some cut flowers, spices; glucose; and food preparations. Similarly, Israel applies TRQs on 15 categories of products (22 lines at the national tariff line level), including some meats, dairy products, fresh flowers, and some vegetables and fruit. The in-quota rates are zero while the out-of-quota rates are the current applied MFN rates. Quota volumes do not change over time. Further details of the TRQs maintained by the Parties under the Agreement, including quota volumes, in and out-of-quota rates, and corresponding MFN rates are in Annex 2.

3.2 Rules of origin

3.21. Rules of origin criteria are outlined in Chapter 3 of the Agreement. A product shall be considered as originating in a Party and eligible for preferential treatment if it is wholly obtained or produced in the territory of the Parties, as defined in Article 3.4 (wholly obtained or produced product), or if it has undergone sufficient processing or production according to the rules specified in Article 3.5, including the product-specific rules (PSR) in Annex 3-A of the Agreement (Article 3.2)

3.22. Article 3.5 specifies that a non-originating product is originating if (a) the production process results in a change in tariff classification (CTC) at the Harmonized System (HS) heading (4 digits) level; or (b) the value of all non-originating materials used in the product does not exceed 50% of its ex-works price; or (c) if the product falls within the list in Annex 3-A⁹ and satisfies the related PSRs. The rules under (a) and (b) above do not apply to the products listed in Annex 3-A. For products listed in Annex 3-A, while the requirement of CTC at HS Heading or Chapter constitutes the main criterion for a product to qualify as originating, the value-added criterion (from 25% to 60% of the ex-works price) is often used as an alternative for a number of products. For some products, a specific manufacturing or processing operation can confer origin, either as a unique criterion or combined with an alternative criterion.¹⁰ A product will also be deemed to have undergone a CTC if the value of all non-originating materials in the good and that do not meet the required CTC does not exceed 10% of the ex-works price of the product in question when determining compliance with the CTC, as specified in points (a) and (c) above.

3.23. Article 3.6 lists minor processing operations that do not confer origin. However, all operations carried out in either Colombia or Israel on a specific product should be collectively assessed to determine whether the processing is considered insufficient.

⁹ The Joint Committee may modify Annex 3-A by mutual agreement.

¹⁰ This is the case particularly for textiles products.

3.24. Article 3.2 permits bilateral cumulation between the Parties. Furthermore, cumulation with a third party is also allowed when both Parties have equivalent provisions with a third party under separate FTAs. If one Party's agreement with the third party is restricted to specific goods or conditions, the other Party may similarly limit the application of cumulation to those goods and under such conditions, in accordance with the provisions of the Agreement.

3.25. While preferential treatment may only be granted to products directly transported between the Parties transit through third parties is permitted for geographical or transportation necessities, with minimal operations for preservation, and no engagement in trade, consumption, use or employment in the third party's territory (Article 3.13). Goods exported from the Parties' territories to a third party and then re-imported are deemed non-originating unless they are identical to the initially exported goods and have not undergone additional operations, except for preservation. However, outward processing is recognized for goods in Annex 3-F of the Agreement¹¹, which are considered originating even if they have undergone operations outside the Parties' territories. The Parties also plan to create a mechanism to maintain the originating status of goods transhipped through a third party's territory with which each Party has a separate FTA, within one year of the Agreement's entry into force. The Parties confirm that there has been no progress so far in this regard.

3.26. Articles 3.15 through 3.26 contain general requirements for proof of origin; procedures for issuing an origin certificate and verification. The importing Party may conduct verifications of origin certificate in line with the procedures in Article 3.28. Failure to provide verification results within 10 months may permit the importing Party to deny preferential treatment to the products in question. While awaiting the verification results, the importing Party shall release the products, subject to any necessary precautionary measures. If disputes arise regarding the verification procedures that cannot be resolved between the customs authorities, the matter will be referred to the Sub-Committee on Customs, Trade Facilitation, and Rules of Origin established by the Joint Committee according to Chapter 13 of the Agreement. If a solution still cannot be reached, the provisions of Chapter 12 (dispute settlement) will apply. However, disputes between an importer and the customs authority of the importing Party will be resolved according to the law of the importing Party (Article 3.29).

3.3 Export duties and charges, and quantitative restrictions

3.27. Customs duties on exports and equivalent charges shall be abolished upon the Agreement's entry into force, and no new such duties or charges shall be introduced in bilateral exports between the Parties, except as specified in the Agreement (Article 2.11). For prohibitions or restrictions on exports (and imports), Article XI of GATT 1994, including its Interpretive Notes, is incorporated into the Agreement, *mutatis mutandis* (Article 2.12). However, these provisions do not apply to a contribution required on coffee exports (Law No. 101, 1993), controls on coffee exports (Law No. 9, 1991), goods as provided in Chapter II of Decree 925 of 2013, and a contribution imposed on emerald exports (Law No. 488, 1998) by Colombia. For Israel, controls and charges maintained on the export of metal waste and scrap are exempt from the requirement to eliminate export duties and restrictions.

¹¹ The conditions include: the materials shall be wholly obtained in the Parties or undergo working or processing beyond the minor precession operations in Article 3.6; customs authorities must confirm that the re-imported goods result from processing without a change in HS subheading level; and the total added value from operations outside the Parties must not exceed 15% of the end product's ex-works price. The products include 120 HS subheadings from five HS Chapters (concerning base metals, machinery and mechanical appliances, and optical, photographic and cinematographic instruments).

3.4 Regulatory provisions on trade in goods

3.4.1 Standards

3.4.1.1 Sanitary and phytosanitary measures

3.28. Chapter 6 governs provisions on sanitary and phytosanitary (SPS) measures. The Parties affirm their rights and obligations under the WTO SPS Agreement, and some of the provisions of Chapter 6 mirror those in the SPS Agreement (Article 6.2).

3.29. Article 6.1 outlines the primary objectives of the Chapter, which are to protect human, animal and plant life and health, prevent unjustified trade barriers, and improve the implementation of the WTO SPS Agreement. They agree to exchange information on changes in their SPS status, results of import checks, and verification procedures within specified timeframes (Article 6.3).

3.30. On risk assessment (Article 6.4), if required, the importing Party must inform the exporting Party about the estimated timeframe for the assessment and provide technical justification for any delays. The exporting Party is obliged to provide information upon request to support the risk assessment process.

3.31. The Parties will develop procedures, as needed, for recognizing pest or disease-free areas, areas of low pest or disease prevalence, and pest or disease-free production sites and/or compartments, taking into account international guidelines (Article 6.5). Procedures for informing and approving establishments for import are detailed in Article 6.7, with the importing Party notifying the exporting Party of eligibility to export once requirements are met. Article 6.7 also lists the competent authorities¹², while Article 6.9 establishes contact points¹³ for coordinating SPS matters between the Parties.

3.32. A Sub-Committee on SPS is established under Article 6.8 which is responsible for facilitating the implementation and cooperation of the Parties SPS matters. It will also work to adapt the Chapter in response to developments under the WTO SPS Committee.

3.4.1.2 Technical barriers to trade

3.33. Chapter 7 of the Agreement governs provisions on technical barriers to trade (TBT). The Parties affirm their rights and obligations under the WTO TBT Agreement, which is incorporated into the Agreement and made part of it, *mutatis mutandis* (Article 7.2). The Chapter largely reassembles the provisions of the WTO TBT Agreement. It applies to the preparation, adoption, and application of technical regulations, standards, and conformity assessment procedures that may affect trade in goods between the Parties. It does not apply to technical specifications prepared by governmental bodies for production or consumption requirements (covered by Chapter 9 - Government Procurement) and SPS measures (covered by Chapter 6).

3.34. The Parties agree to strengthen cooperation in standards, technical regulations, conformity assessment, and metrology. They aim to identify, develop, and promote bilateral initiatives to facilitate trade, including cooperation on regulatory issues, technical assistance, and mechanisms to facilitate the acceptance of results of conformity assessment procedures. The Sub-Committee on TBT may define priority sectors for cooperation as per Article 7.5.

3.35. The Parties agree to apply the decisions of the WTO TBT Committee, particularly on the principles for the development of international standards, guides, and recommendations in relation to Articles 2, 5, and Annex 3 of the TBT Agreement. They also agree to encourage cooperation

¹² The authorities include, for Colombia, the Agriculture and Livestock Institute (ICA) under the Ministry of Agriculture and Rural Development, as well as the National Institute for the Surveillance of Foods and Drugs (INVIMA) under the Ministry of Health and Social Protection. In Israel, the authorities include the Plant Protection and Inspection Services (PPIS) and Veterinary Services and Animal Health (IVSAH) under the Ministry of Agriculture and Rural Development, as well as the National Food Services and the Cosmetic Department and Pharmaceutical Administration under the Ministry of Health.

¹³ The focal point for Colombia is the Ministry of Trade, Industry, and Tourism in Colombia, while for Israel, it is the Ministry of Economy in Israel, along with its successors.

between their standardization bodies, exchange information on the standardization process, and the use of international standards as the basis for national standards (Article 7.6). They agree to use international standards for their technical regulations when appropriate and share relevant information if the other Party is interested in a similar regulation. They shall also consider negotiating to accept each other's technical regulations as equivalent upon request (Article 7.7).

3.36. On conformity assessment and accreditation under Article 7.8, the Parties acknowledge various mechanisms to facilitate the acceptance of conformity assessment results and encourage their exchange. They may agree to accept a supplier's declaration of conformity, recognize results from each other's conformity assessment procedures, allow voluntary recognition agreements between conformity assessment bodies in their respective territories, and designate conformity assessment bodies located in each other's territories. Neither harmonization nor mutual recognition is made mandatory under the Agreement. However, they may consider negotiating mutual recognition agreements (MRAs) or unilaterally recognizing the other Party's conformity assessment results; prior to agreeing an MRA they may also consult and share information about the technical competence of the conformity assessment bodies involved to enhance confidence in the reliability of these results.

3.37. Article 7.9 on transparency requires that the Parties notify and provide information, along with the rationale for technical regulations or conformity assessment procedures. It also requires a 60-day comment period for proposed regulations and that all adopted technical regulations and conformity assessment procedures be made publicly available. The Parties agree to exchange information through designated contact points as specified in Annex 7-A of the Agreement¹⁴ (Article 7.10).

3.38. A Sub-Committee on TBT is established under Article 7.11 which is responsible for facilitating implementation of the Chapter 7, addressing issues, and conducting negotiations for MRAs. In the case of disputes, consultations are required before proceeding to dispute settlement under Chapter 12.

3.39. Finally, Article 7.12 addresses border control and market surveillance, requiring information exchange and ensure that such activities are undertaken by the competent authorities while avoiding conflicts of interest between the authorities and the economic operators subject to control or supervision.

3.4.2 Safeguard mechanisms

3.40. Chapter 8 (trade remedies) contains provisions on global and bilateral safeguard measures including anti-dumping and countervailing measures.

3.4.2.1 Global safeguards

3.41. The Parties retain their rights and obligations under Article XIX of the GATT and the WTO Safeguards Agreement. The Agreement does not grant any additional rights or obligations regarding actions taken under GATT Article XIX, except that a Party taking a global safeguard measure shall exclude imports of an originating good from the other Party if those imports are not the cause of serious injury or threat. Furthermore, neither Party can simultaneously apply a bilateral safeguard measure under the Agreement and a measure under GATT Article XIX for the same good (Article 8.7).

3.4.2.2 Bilateral safeguards

3.42. Bilateral safeguards are permitted under the Agreement in accordance with provisions in Articles 8.2 through 8.6. Accordingly, if the reduction or elimination of a customs duty leads to substantial increase in imports of a good from the other Party, resulting in serious injury or the threat of serious injury to a domestic industry, the importing Party can take bilateral safeguard measures. They may include (a) a suspension of further reductions in customs duties under the

¹⁴ The enquiry point for Colombia is the TBT enquiry point at the Central Registry of Notifications in accordance with the WTO TBT Agreement, and for Israel, it is Foreign Trade Administration, Ministry of Economy.

Agreement on the product in question, and (b) an increase in customs duty rates on that product to a level not exceeding the current MFN applied rate when the measure is taken or the base rate as provided for in Article 2.14 under Chapter 2 of the Agreement, whichever is lower. A Party applying a measure may set an import quota for a product based on the agreed preference or concession in the Agreement. However, the quota shall not reduce import quantities below the average level of imports before the existence of significant injury.

3.43. Bilateral measures can only be applied in the first year after tariff preferences under Chapter 2 came into force, for a maximum of two years with a possible extension of up to two more years following the investigation under Article 8.4. The measures cannot be applied more than once against the same product. For perishable or seasonal goods, no measure may be applied more than four times within the initial two years or for a cumulative period exceeding four years above.

3.44. Bilateral safeguards may not be taken after the transition period of tariff liberalization under the Agreement has ended unless otherwise agreed by the Parties. At the end of transition period, the Joint Committee shall evaluate and decide on continuing the provision.

3.45. A Party shall implement a safeguard measure only after conducting an investigation in line with its domestic laws and provisions of the WTO Safeguards Agreement, in particular its Articles 3 and 4.2(c) which are incorporated to the Agreement, *mutatis mutandis*. During the investigation, the Party must adhere to the conditions in Article 4.2(a) of the Safeguards Agreement, which is also incorporated into the Agreement (Article 8.4). Provisional bilateral safeguard measures can be applied in critical circumstances for up to 200 days under certain conditions and not before 44 days after initiation of an investigation (Article 8.5).

3.46. A Party must promptly notify the other Party in writing when initiating a safeguard investigation, determining serious injury or a threat due to increased imports, or deciding to impose or extend a safeguard measure, and provide a copy of its investigating authority's report. If a Party whose goods are under investigation requests consultations within 10 days of receiving the notification, the investigating Party must engage in consultations within the Joint Committee to find a mutually satisfactory solution. If such consultations do not result in a satisfactory solution within 20 days of the notification, the Party may impose safeguards.

3.4.2.3 Other safeguard measures

3.47. There are no other safeguard measures that apply to trade in goods, except balance of payments (BOP) restrictions, which are discussed under Section 5.3.4 .

3.4.3 Anti-dumping and countervailing measures

3.48. The Parties retain their rights and obligations in accordance with Article VI of the GATT 1994, the WTO Antidumping Agreement and the Agreement on Subsidies and Countervailing Measures (Article 8.8).

3.4.4 Subsidies and State-aid

3.49. The Agreement does not include any general provisions concerning subsidies and State-aid. However, upon the Agreement's entry into force, no Party shall maintain, introduce or re-introduce export subsidies or other measures with equivalent effect on agricultural goods (as defined by Article 9 of the WTO Agreement on Agriculture and covered by their respective schedules under Annex 2-B) destined for the other Party. If a Party maintains, introduces, or re-introduces such subsidies, the importing Party shall request consultations. If, after 90 days, the subsidy is confirmed, not suspended, and no mutual solution is reached, the importing Party can raise duty rates to its MFN level (Article 2.19).

3.4.5 Customs-related procedures and trade facilitation

3.50. Chapter 3 of the Agreement addresses customs procedures related to origin, while Chapter 4 focuses on customs cooperation and trade facilitation. Article 4.1 establishes cooperation between the Parties in the implementation and operation of the Agreement, including on import/export

procedures, preferential treatment, and customs valuation. Official contact points are designated to facilitate communication, and unresolved matters are referred to the Sub-Committee on Customs, Trade Facilitation, and Rules of Origin. The Agreement promotes transparent and efficient customs procedures, including simplification, technology integration, and advance electronic submission for quick release of goods. The Parties aim to enhance trade facilitation through mutual consultations and information exchange among their customs authorities (Article 4.2).

3.51. Each Party shall try to ensure efficient customs procedures, including the swift release of goods (ideally within 48 hours of arrival), advance electronic submission and pre-arrival processing of information, enabling release of goods upon arrival, and allowing importers to withdraw goods before the final determination of duties, with the option of providing a guarantee. The Parties shall endeavour to ensure that emergency customs procedures are available 24/7 and that customs control and physical inspections of goods are carried out simultaneously and at a single location (Article 4.3).

3.52. The Parties agree to exchange information on their respective risk management techniques and aim to improve them, focusing customs administration resources on high-risk shipments. They are also committed to promptly publish or make publicly available, including on the Internet, their customs-related laws, regulations, and procedures to make them accessible to interested persons and parties (Article 4.5). Recognizing the benefit and efficiency of using electronic documents, they aim to implement and promote paperless customs procedures (Article 4.6).

3.53. Based on their domestic laws, the Parties shall endeavour to provide advance rulings expeditiously on goods classification, customs valuation, rules of origin, and preferential treatment (Article 4.7). They also agree to promote the granting of Approved Economic Operator (AEO) status to economic operators to facilitate trade and endeavour to promote an MRA for AEOs (Article 4.9).

3.54. Article 4.10 ensures access to administrative and judicial review and appeal mechanisms for customs matters. Provisions to ensure the proper application of customs laws and enforcement is also provided in Annex A of the Agreement on mutual administrative assistance in customs matters between the Parties. The scope of the Annex covers the proper application of customs laws, assessment of customs duties and taxes, and the addressing of customs offenses. It also outlines instances where special assistance may be required and emphasizes professional and technical cooperation.

3.55. Article 4.12 establishes a Sub-Committee on Customs, Trade Facilitation, and Rules of Origin to provide regular updates and formulate resolutions for approval by the Joint Committee.

3.4.6 Other regulations

3.56. In addition to the provisions described above, there are no other regulations in the Agreement.

3.5 Sector-specific provisions on trade in goods

3.57. There are no sector-specific provisions in the Agreement.

4 PROVISIONS ON TRADE IN SERVICES AND INVESTMENT

4.1 Scope and definitions

4.1. Chapter 11 applies to measures adopted or maintained by the Parties that affect trade in all services except as otherwise specified under the Chapter. Trade in services is defined as the supply of a service through the four modes of supply as under the GATS. Chapter 11 does not apply to the measures related to air traffic rights and services closely linked to them, except as specified in the GATS Annex on Air Transport Services¹⁵ (Article 11.1). Additionally, it does not impose obligations regarding government procurement which are covered in Chapter 9 (See Section 5.8).

¹⁵ Definitions from the GATS Annex on Air Transport Services apply for the purpose of Chapter 11.

4.2. The provisions of Chapter 11 are complemented through five Annexes (11-A through 11-E). Annex 11-A contains lists of MFN exceptions, and Annex 11-B contains provisions on the movement of natural persons supplying services. Annexes 11-C and 11-D apply to financial and telecommunication services, respectively. Specific commitments are in Annex 11-E (Section 1 for Colombia, and Section 2 for Israel).

4.3. Provisions on investment are governed by Chapter 10 (See Section 4.5.5.2).

4.2 Denial of benefits

4.4. The Agreement does not contain an explicit provision on denial of benefits. However, only juridical persons of either Party can benefit from the Agreement.¹⁶

4.3 General provisions on trade in services and investment

4.3.1 Market access

4.5. Provisions on market access in Article 11.4 mirror those of Article XVI of the GATS. The Parties' schedules of specific commitments specify the conditions and/or limitations on market access for trade in services under the Agreement.

4.3.2 National and MFN treatment

4.6. National treatment provisions in Article 11.5 are similar to those in GATS Article XVII. The Parties' commitments are outlined in their schedules of specific commitments and apply only to the sectors and subsectors listed subject to the conditions and/or limitations therein.

4.7. The Parties agree to treat each other's services and service suppliers as favourably as those from third parties, except as otherwise provided in their lists of MFN exemptions in Annex 11-A (Article 11.3). However, treatment granted under other agreements concluded by one of the Parties and notified under GATS Article V, as well as treatment granted in accordance with GATS Article VII, are not subject to MFN treatment. If a Party enters into an agreement notified under GATS Article V, it shall upon request from another Party afford adequate opportunity to that Party to negotiate the benefits granted therein. The provisions of Chapter 11 shall not prevent the Parties from conferring or according advantages to adjacent countries in contiguous frontier zones to facilitate exchanges limited to locally produced and consumed services.

4.8. Regarding Investment (Chapter 10), subject to its legislation at the time of entry into force of the Agreement, each Party shall grant national treatment to each-others' investors (Articles 10.4). Similarly, MFN treatment is extended to the expansion, management, maintenance, use, enjoyment, conduct or disposal of investment, operation and sale or other disposition of investments in the host Party's territory.

4.3.3 Commercial presence

4.9. In Article 11.2, commercial presence is defined as any type of business or professional establishment, including through (a) the constitution, acquisition, or maintenance of a juridical person, or (b) the creation or maintenance of a branch or a representative office, within the territory of a Party for the purpose of supplying a service.

4.10. Subject to conditions and limitations in the Parties' Schedules of specific commitments, the disciplines, commitments and modalities in Chapter 11 apply to commercial presence for the sectors listed.

¹⁶ Juridical person of the other Party is defined as an entity organized under the law of the other Party and engaged in business operations within the territory of either Party or a WTO Member (Article 11.2).

4.3.4 Performance requirements

4.11. There are no general provisions on performance requirements in Chapter 11, however some commitments made by the Parties in their Schedules of commitments include performance requirements. For example, to obtain national treatment in mode 2 for foreign persons planning to undertake scientific research on biological diversity in the territory of Colombia at least one Colombian researcher must be involved in the research or analysis of the results. Similarly, national treatment for mode 3 would only be provided to a branch of a foreign law firm established in Israel if it employs either at least one Israeli licensed lawyer or one foreign lawyer as defined in Israeli Law.

4.3.5 Senior Management and Boards of Directors

4.12. There are no specific provisions on senior management and boards of directors in the Agreement. However, some horizontal commitments include provisions in this regard. For example, Israel has a horizontal limitation on mode 3, requiring that a public corporation must have a minimum of two outside directors on its board. These directors must be Israeli residents and must maintain no business or personal ties with the company or its controlling entity.

4.3.6 Movement of natural persons

4.13. Natural persons covered by a specific commitment in the Parties' schedules, shall be allowed to supply the service, in accordance with the terms of that commitment (Article 11.9). Annex 11-B of the Agreement sets out further rights and obligations regarding the movement of natural persons of the Parties supplying services. Some of the provisions in Annex 11-B are similar to those in the GATS Annex on the Movement of Natural Persons. Annex 11-B provides for information to be made publicly available for an effective application for entry, temporary stay, and work permits for natural persons covered by the Agreement (Article 3 of Annex 11-B). It also establishes a Temporary Entry Working Group to consider matters related to the implementation and administration of the Annex, develop common criteria and interpretations to further facilitate temporary entry in line with specific commitments, and explore measures of mutual interest. The Annex also makes provision for contact points¹⁷ and expeditious application procedures.

4.14. The horizontal commitment section of the Parties' Schedule of specific commitments defines the categories of natural persons and the conditions for their entry into and stay in the territories of the Parties. Colombia has enhanced its commitments under the Agreement by either removing existing GATS conditions or making new commitments under the category of additional natural persons. Israel's GATS commitments remain unchanged (Table 4.1).

Table 4.1 Colombia and Israel: Commitments taken by the Parties on the movement of natural persons

Category	Conditions for the temporary movement of natural persons	
	GATS	Agreement
	In Colombia	
Managers ^a	<ul style="list-style-type: none"> Length of stay not specified; employers with over ten employees must hire at least 90% Colombians for ordinary roles and 80% for skilled, administrative, or leadership posts. 	<ul style="list-style-type: none"> The requirement to hire 90% Colombians for ordinary roles and 80% for skilled, administrative, or leadership positions is removed.
Business visitors	---	<ul style="list-style-type: none"> Temporary stay up to 6 months is without establishing Colombian residency or receiving payment for work in Colombian territory.
Installers and maintainers	---	<ul style="list-style-type: none"> Temporary stay up to 45 days without establishing Colombian residency or receiving payment for work in Colombian territory.

¹⁷ Coordinator, Visa and Immigration Coordination, Ministry of Foreign Affairs is designated as the contact point for Colombia, while Director, Registry and Status Division, and Migration Authority, Ministry of Interior, is designated for Israel.

Category	Conditions for the temporary movement of natural persons	
	GATS	Agreement
	In Israel	
Intra Corporate Transferees	<u>Executives and Managers</u> • Temporary entry without requiring compliance with labour market test. <u>Executives and Managers</u> • Temporary entry in compliance with labour market test.	• Same as in the GATS.

a including legal representatives and technical specialists, except for from the professional services subsectors.

---: no commitments

Source: WTO Secretariat based on horizontal commitment sections of Schedule of Specific Commitments under the Agreement (Annexe 11-E, Sections 1 and 2) and the GATS (S/DCS/W/COL and S/DCS/W/ISR).

4.4 Liberalization commitments

4.15. The Parties' market access and national treatment commitments are detailed in their respective Schedules, following a positive list approach similar to that of the GATS. They may also include information on the effective date and implementation periods of the commitments (Article 11.15). The Parties may negotiate additional commitments on measures affecting trade in services, including those regarding qualifications, standards, or licensing matters and add them to their Schedules of specific commitments (Article 11.6).

4.16. The Parties agreed to periodically review their specific commitments and lists of MFN Exemptions with the objective of further liberalizing trade in services between them. This involves reducing or eliminating substantially all remaining discrimination between them regarding trade in services covered by Chapter 11 on a mutually advantageous basis and ensuring an overall balance of rights and obligations. The first review shall take place within two years of the Agreement's entry into force, followed by subsequent reviews every three years.

4.17. The following section compares the Parties' horizontal limitations and sectors specific commitments on market access and national treatment for all covered service sectors in the GATS and the Agreement.

4.4.1 Colombia

4.4.1.1 MFN and Horizontal commitments

4.18. Colombia's MFN exemptions under the GATS include value-added telecommunications services and land transport, offering preferential treatment exclusively to service providers from the Andean Community. Exemptions also apply to audio-visual services¹⁸, with access contingent upon existing and prospective reciprocal agreements. The MFN exception relating to financial and insurance-related services restricts market access to foreign service suppliers, ensuring satisfactory opportunities for Colombian service providers to access their markets. Under the Agreement, Colombia continues to maintain its MFN exemptions in telecommunications, land transport, and audio-visual services, while the GATS exemptions for financial and insurance-related services are withdrawn.

4.19. Colombia has a few horizontal reservations in mode 3 under the GATS which include investment projects related to national defence and toxic waste. Additionally, unappropriated land along coastlines and border regions can only be awarded to Colombian citizens by birth and cannot be transferred to foreigners. Moreover, in the San Andrés and Providencia Archipelago, specific regulations and reservations are in place to oversee the acquisition of real property by foreigners,

¹⁸ the co-production of audiovisual works for cinema or television, in particular, conditions for distribution, access and financing.

as well as procedures for immigration and human settlements. Under the Agreement, Colombia maintains its GATS horizontal commitments.

4.4.1.2 Sector-specific commitments in trade in services

4.20. Under the Agreement, Colombia improves its GATS commitments by broadening the coverage of sector-specific commitments and increasing access to markets and/or national treatment through the removal of limitations. Table 4.2 provides a summary of Colombia's specific commitments under the Agreement, by main sectors and subsectors compared to its GATS commitments. The comparison only concerns market access and national treatment in modes 1-3. It does not cover MFN and horizontal limitations or mode 4 limitations.¹⁹

Table 4.2 Colombia: Comparison between GATS and Agreement specific commitments

Sectors/Subsectors (CPC Classification)	Sectoral commitments		
	GATS	Agreement	Compared to GATS
1. Business services			
A. Professional Services	Partial	Partial	Improved
B. Computer and Related Services	Partial	Partial	Improved
C. Research and Development Services	---	Partial	Improved
D. Real Estate Services	---	---	Same
E. Rental/Leasing Services without Operators	Partial	Partial	Improved
F. Other Business Services	Partial	Partial	Improved*
2. Communication services			
A. Postal services	---	---	Same
B. Courier services	---	---	Same
C. Telecommunication services	Partial	Partial	Improved
D. Audiovisual services	---	---	Same
E. Other	---	---	Same
3. Construction and related engineering services			
A. General construction work for buildings	Partial	Partial	Same
B. General construction work for civil Engineering	Partial	Partial	Improved*
C. Installation and assembly work	Partial	Full	Improved
D. Building completion and finishing work	---	Partial	Improved
E. Other	Partial	Partial	Improved
4. Distribution services			
A. Commission agents' services	---	---	Same
B. Wholesale trade services	---	---	Same
C. Retailing services	---	---	Same
D. Franchising	---	---	Same
E. Other	---	---	Same
5. Education services			
A. Primary education services	---	---	Same
B. Secondary education services	---	---	Same
C. Higher education services	---	---	Same
D. Adult education	---	Full	Improved
E. Other education services	---	---	Same
6. Environmental services			
A. Sewage services	---	Partial	Improved
B. Refuse disposal services	---	Partial	Improved
C. Sanitation and similar services	---	Partial	Improved
D. Other	---	Partial	Improved
7. Financial services			
A. All insurance and insurance-related services	Partial	Partial	Improved
B. Banking and other financial services	Partial	Partial	Improved*
C. Other	---	---	Same
8. Health related and social services			
A. Hospital services	---	---	Same
B. Other Human Health Services	---	---	Same
C. Social Services	---	---	Same
D. Other	---	---	Same
9. Tourism and travel related services			
A. Hotels and restaurants (including catering)	Partial	Full	Improved
B. Travel agencies and tour operators services	Full	Full	Same
C. Tourist guides services	---	Full	Improved
D. Other	---	---	Same

¹⁹ The attachment to Colombia's Schedule (limitations applied to sector-specific commitments) is not incorporated in the table and should therefore be kept in mind when assessing its commitments..

Sectors/Subsectors (CPC Classification)	Sectoral commitments		
	GATS	Agreement	Compared to GATS
10. Recreational and cultural and sporting services			
A. Entertainment services	---	---	Same
B. News agency services	---	---	Same
C. Libraries, archives, museums and other cultural services	---	Partial	Improved
D. Sporting and other recreational services	---	---	Same
E. Other	---	---	Same
11. Transport services			
A. Maritime Transport Services	---	---	Same
B. Internal Waterways Transport	---	---	Same
C. Air Transport Services	---	Partial	Improved
D. Space Transport	---	---	Same
E. Rail Transport Services	---	---	Same
F. Road Transport Services	---	---	Same
G. Pipeline Transport	---	---	Same
H. Services auxiliary to all modes of transport	---	---	Same
I. Other Transport Services	---	---	Same

* Some subsectors covered under the GATS are not included in the Agreement.

Full: No sector-specific limitation/reservation and all subsectors covered.

Partial: Sector-specific limitations/reservations or not all subsectors covered.

---: No specific commitments.

Improved: Overall improved commitments under the Agreement compared to the GATS.

Same: Similar commitments (Agreement vs GATS); though possibly, in specific individual cases, with limited improvements and/or limited additional reservations.

Source: Draft Consolidated GATS Schedule of Specific Commitments (S/DCS/W/COL) and Colombia's Schedule, Annexed 11-E (Section 1) to the Agreement.

4.4.1.2.1 Business services

4.21. Under the GATS, Colombia has a number of partial commitments for business services. Under the Agreement, its overall commitments have been substantially enhanced. Professional and legal services (with the removal of mode 3 unbound GATS commitments) and accounting and bookkeeping services (by lifting the GATS market access condition on mode 3) are fully liberalized. Moreover, full commitments have been made for several new subsectors, including architectural, engineering, integrated engineering, urban planning, and landscape architectural services. Computer and related services are fully liberalized (with the removal of mode 1 unbound commitment in the GATS), except for 'other' services, which is not listed in either the GATS or the Agreement. Partial commitments have been introduced for national treatment for mode 1 in research and development services, particularly those associated with the physical sciences. Leasing and rental services related to other means of transport without an operator are fully liberalized, incorporating full commitments in mode 1, which is unbound under the GATS. In addition, full commitments are extended to leasing and rental services for other machinery and equipment.

4.22. For other business services, the scope of covered subsectors under the GATS is expanded, and commitments in new subsectors are added. The scope of coverage for project management, optimization of operations services, technical testing and analysis, and services incidental to mining is extended to the entire subsector with full commitments. Furthermore, full commitments are made in several new subsectors.²⁰ However, fishing services and photogeology services, which are in Colombia's GATS commitments are not in the Agreement.

4.4.1.2.2 Communication services

4.23. Postal and courier services are unbound both under the GATS and the Agreement. The coverage of telecommunication services commitments has been expanded, with new subsectors added in the Agreement with certain conditions and limitations, while existing conditions and limitations for subsectors under the GATS have either been improved or are unchanged. Colombia fully liberalized covered telephony and carrier services by lifting the 70% foreign equity ceiling for

²⁰ Placement and supply services of personnel (CPC 872); related scientific and technical consulting services (CPC 8675); equipment cleaning and repair services (CPC 633+8861-8866); building-cleaning services (CPC 874); packaging services (CPC 876); and printing and publishing (CPC 88442).

mode 3 under the GATS. Value-added telecommunications services which are subject to mode 1 restrictions and mode 3 conditions under the GATS are fully liberalized under the Agreement. In addition, facilities-based services for non-public use are fully liberalized for modes 1-3 under the Agreement.

4.24. As in the headnotes of the Schedule, additional conditions apply to all covered telecommunications services. They include the requirement that contracts or licenses for service suppliers are exclusively granted to enterprises legally established in Colombia, the exclusion of commitments on radio and television broadcasting services, and the utilization of classification definitions in the Schedule based on Colombian legislation. Annex 11-D of the Agreement contains supplementary rules and disciplines on telecommunications services (See Section 4.6.1).

4.4.1.2.3 Construction and related engineering services

4.25. The Agreement extends full coverage to the sector compared to partial coverage in the GATS except for 'other' services²¹, fully liberalizing modes 2-3 while leaving mode 1 unbound. Additionally, rental services related to equipment for construction or demolition of buildings or civil engineering works, with an operator (CPC 518), are also added in the Agreement with full commitments. However, some commitments in the GATS have been withdrawn in the Agreement. For instance, under general construction work for civil engineering, mode 1 for related services of a golf course is fully liberalized in the GATS but is unbound in the Agreement. This also applies to several other services²² under general construction work for civil engineering, which are classified in a different sector in the GATS Schedule but are missing from the Agreement.

4.4.1.2.4 Distribution services and health related and social services

4.26. The sectors are unbound in both the GATS and the Agreement.

4.4.1.2.5 Educational services

4.27. No commitments are made for the sector in the GATS. However, under the Agreement, adult education services are fully liberalized, while the other subsectors remain unbound, as in the GATS.

4.4.1.2.6 Environmental services

4.28. While the sector is unbound under the GATS, partial commitments are made in the Agreement. Modes 2-3 are fully liberalized for sewage services and refuse disposal services²³, with an exception for market access under mode 3 for services established or maintained for a public purpose. Similar commitments are extended to sanitation and similar services, as well as for several service categories under 'other' services²⁴, but the market access exclusion for public purposes also applies to mode 1.

4.4.1.2.7 Financial services

4.29. Colombia's commitments under both the GATS and the Agreement contain horizontal limitations applicable to all covered financial services. Under the GATS, these mode 3 commitments include a mandatory economic needs test, allowing foreign providers to operate solely as affiliated companies or subsidiaries (excluding branches), and prohibiting agencies of foreign financial entities. In the Agreement, the economic needs test requirement is removed, and the restriction on

²¹ Except the 'other' category only covers services related to pre-erection work at building and construction sites.

²² Design, erection and maintenance of production facilities (separator tanks, heaters, collecting lines); design, operation and maintenance of production, including mechanical pumping, hydraulic pumping, electro submersible pumping, gas lift, and work carried out on wells after completion (cleaning, repairs); design, construction, operation and maintenance of oil and gas pipelines; construction assembly and infrastructure studies; and road design.

²³ Excluding activities related to the processing, disposition, and disposal of toxic, hazardous or radioactive waste not produced in Colombia.

²⁴ Cleaning services of exhaust gases (CPC 94040), noise abatement services (CPC 94050), nature and landscape protection services (CPC 94060), other environmental protection services (94090)

establishment of foreign financial service suppliers as branches, under the GATS, is withdrawn, though Colombia reserves the right to choose how to regulate them. Moreover, apart from reinsurance and retrocession, all financial services related to statutory social security systems or public retirement plans are excluded for all modes of supply in the Agreement, and Colombia may require authorization for cross-border financial service suppliers of Israel and their instruments, for modes 1-2.²⁵ Additional rules and disciplines in financial services are included in Annex 11-C of the Agreement (See Section 4.6.2).

4.30. Concerning sectoral commitments, Colombia has added partial mode 3 commitments for life insurance subject to certain market access conditions, where similar GATS commitments are made only for non-life insurance. Additional partial commitments for modes 1-3, with some market access exceptions such as regulation in the case of branching, but no national treatment limitations, are made for marine, aviation, and other transport insurance services. Reinsurance and retrocession services continue to be fully open, as in the GATS. Similarly, by removing the GATS mode 3 exceptions, some auxiliary services to insurance²⁶ are fully liberalized. In banking and other financial services, Colombia has undertaken partial commitments including for new subsectors not covered in the GATS.²⁷ Modes 1-2 are unbound for services related to asset management and settlement and clearing services and are fully liberalized (except for credit reference and analysis) for services related to the provision and transfer of financial information and advisory, intermediation, and other auxiliary financial services. However, some subsectors²⁸ covered in the GATS are not listed in Colombia's Schedule under the Agreement.

4.4.1.2.8 Tourism and travel related services

4.31. Except for other services, tourism and travel related services are fully liberalized under the Agreement with Colombia making new commitments and improving its GATS commitments.

4.4.1.2.9 Recreational, cultural and sporting services

4.32. While the entire sector is unbound under the GATS, Colombia made partial commitments in library, archive, museum, and other cultural services, leaving market access unbound but granting national treatment with no limitation for modes 1-3.

4.4.1.2.10 Transport services

4.33. There are no commitments on the sector under the GATS. However, under the Agreement, maintenance and repair of aircraft services (CPC 8868) is fully liberalized, while leaving other subsectors unbound, as in the GATS.

4.4.2 Israel

4.4.2.1 MFN and Horizontal commitments

4.34. Under the GATS, Israel has MFN exemptions for film and television programming co-production and distribution services, granting preferential treatment only to works co-produced with countries that have agreements with Israel. Regarding banking services, foreign service providers

²⁵ This is, however, without prejudice to other means of prudential regulation of cross-border trade in financial services.

²⁶ Consultancy, actuarial services, risk assessment, and claim settlement services.

²⁷ These include service categories xiii (asset management), xiv (settlement and clearing services), xv (provision and transfer of financial information), and xvi (other auxiliary financial services) contained in the GATS Annex on Financial Services. The commitments primarily focus on mode 3 liberalization for all of them, with certain exceptions.

²⁸ (a) Acceptance of deposits and other repayable funds from the public; (b) Lending of all types, including consumer credit, mortgage credit, factoring by financial institutions, and financing of commercial transactions; (c) Financial leasing services; (d) Guarantees and commitments; (e) Trading for own account or for account of customers, whether on an exchange or in an over-the-counter market, of the instruments mentioned in subparagraphs (x) (C), (E) and (F) of paragraph 5(a) of the Annex on financial services; (f) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues; and (g) Money broking.

can obtain a license if their country grants Israeli suppliers similar market access. Under the Agreement, Israel maintains these MFN exemptions.

4.35. Israel maintains mode 3 horizontal reservations for the registration of corporate bodies, based on its 'Companies Ordinance', in both GATS and the Agreement. The most recent version of the ordinance, Companies Law 5759-1999, mandates that public corporations in Israel must have at least two outside directors who are Israeli residents and have no ties to the company or with the holder of control of the company. A foreign company maintaining a place of business or an office in Israel for share registration or transfers must register and pay fees. Additionally, a foreign partnership formed outside Israel may only conduct business in Israel if it is registered with the Israel Registrar of Partnerships, and, for limited partnerships, has the approval of the Minister of Justice.

4.4.2.2 Sector specific commitments in trade in services

4.36. While largely reassembling its GATS commitments, Israel has improved its commitments in the Agreement by upgrading or undertaking new commitments in a few sectors. Table 4.3 below summarizes its specific commitments under the Agreement by sectors and subsectors and compares them with its GATS commitments. The comparison only concerns modes 1-3 market access and national treatment. It does not cover MFN and horizontal limitations, or mode 4.

Table 4.3: Israel: Liberalization commitments under the Agreement in comparison to the GATS

Sectors/Subsectors (CPC Classification)	Sectoral commitments		
	GATS	Agreement	Compared to GATS
1. Business services			
A. Professional Services	Partial	Partial	Improved
B. Computer and Related Services	Partial	Partial	Same
C. Research and Development Services	---	---	Same
D. Real Estate Services	---	---	Same
E. Rental/Leasing Services without Operators	---	---	Same
F. Other Business Services	Partial	Partial	Same
2. Communication services			
A. Postal services	Partial	Partial	Same
B. Courier services	Partial	Partial	Same
C. Telecommunication services	Partial	Partial	Improved
D. Audiovisual services	Partial	Partial	Same
E. Other	---	---	Same
3. Construction and related engineering services			
A. General construction work for buildings	---	---	Same
B. General construction work for civil Engineering	---	---	Same
C. Installation and assembly work	---	---	Same
D. Building completion and finishing work	---	---	Same
E. Other	---	---	Same
4. Distribution services			
A. Commission agents' services	---	---	Same
B. Wholesale trade services	---	Partial	New
C. Retailing services	---	Partial	New
D. Franchising	---	---	Same
E. Other	---	---	Same
5. Education services			
A. Primary education services	---	---	Same
B. Secondary education services	---	---	Same
C. Higher education services	---	---	Same
D. Adult education	---	---	Same
E. Other education services	---	---	Same
6. Environmental services			
A. Sewage services	Partial	Partial	Same
B. Refuse disposal services	Partial	Partial	Same
C. Sanitation and similar services	Partial	Partial	Same
D. Other	Partial	Partial	Same
7. Financial services			
A. All insurance and insurance-related services	Partial	Partial	Improved
B. Banking and other financial services	Partial	Partial	Same
C. Other	---	---	Same

Sectors/Subsectors (CPC Classification)	Sectoral commitments		
	GATS	Agreement	Compared to GATS
8. Health related and social services			
A. Hospital services	---	---	Same
B. Other Human Health Services	---	---	Same
C. Social Services	---	---	Same
D. Other	---	---	Same
9. Tourism and travel related services			
A. Hotels and restaurants (including catering)	Partial	Partial	Improved
B. Travel agencies and tour operators services	Partial	Partial	Improved
C. Tourist guides services	Partial	Partial	Improved
D. Other	---	---	Same
10. Recreational and cultural and sporting services			
A. Entertainment services	---	---	Same
B. News agency services	---	---	Same
C. Libraries, archives, museums and other cultural services	---	---	Same
D. Sporting and other recreational services	---	---	Same
E. Other	---	---	Same
11. Transport services			
A. Maritime Transport Services	---	---	Same
B. Internal Waterways Transport	---	---	Same
C. Air Transport Services	---	Partial	New
D. Space Transport	---	---	Same
E. Rail Transport Services	---	---	Same
F. Road Transport Services	---	Partial	New
G. Pipeline Transport	---	---	Same
H. Services auxiliary to all modes of transport	---	Partial	New
I. Other Transport Services	---	---	Same

Full: No sector-specific limitation/reservation and all subsectors covered.

Partial: Sector-specific limitations/reservations or not all subsectors covered.

---: No specific commitments.

New: New commitments under the Agreement (full or partial, with or without limitations) which can, in most cases, be seen as "improved".

Improved: Overall improved commitments under the Agreement compared to the GATS.

Same: Similar commitments (Agreement vs GATS); though possibly, in specific individual cases, with limited improvements and/or limited additional reservations.

Source: Draft Consolidated GATS Schedule of Specific Commitments (S/DCS/W/ISR) and Israel's Schedule, Annexed 11-E (Section 2) to the Agreement.

4.4.2.2.1 Business services

4.37. While commitments in business services largely remain the same as in the GATS, the Agreement makes a few improvements. Under the GATS, in professional services, accounting²⁹, engineering, and urban planning³⁰ services have been fully liberalized, while legal services have been opened, with the exception of a mode 3 reservation for Israeli residents or citizens. Under the Agreement, the conditions on market access in mode 3 are lifted, and national treatment limitations are improved for legal services. Computer and related services are liberalized both in the GATS and the Agreement, except that 'other' services are not included, and time-sharing services are excluded from data processing. Several service categories are fully liberalized, both in the GATS and the Agreement, under other business services.³¹ Partial commitments are made for services incidental to mining and oil fields, as well as for placement and supply services of personnel (domestic market only), with mode 3 fully opened and modes 1-2 unbound, both in the GATS and the Agreement.

4.4.2.2.2 Communication services

4.38. Israel has partial commitments under the GATS on communication services which are slightly improved in the Agreement by removing specific reservations and conditions. Postal and courier services (for items weighing above 500 grams per addressed item) are fully open for modes 1-2, while mode 3 remains unbound, both in the GATS and the Agreement. In telecommunications

²⁹ Auditing and bookkeeping services are not covered.

³⁰ Landscape architectural services are not covered.

³¹ Advertising, market research and public opinion, management consulting services, related scientific and technical consulting, and photographic services

services, the GATS market access conditions for mode 1, particularly for voice telephone services (accessible exclusively through the Bezeq network, the Israeli Telecommunication Corporation Limited), are eliminated, while mode 2 remains open, as in the GATS. However, new national treatment limitations have been introduced for mode 3³², compared to the GATS. By eliminating all GATS market access conditions for modes 1-3, local and long-distance non-public voice telephone services (such as closed user groups and private networks) have been fully liberalized, with some exceptions.³³ Similarly, market access conditions for modes 1-3 have been removed for packet and circuit-switched data transmission, facsimile services, and private leased circuit services, resulting in full commitments for these subsectors. Additionally, Annex 11-D of the Agreement contains supplementary rules and disciplines on telecommunications services (See Section 4.6.1).

4.39. Partial GATS commitments on audio-visual services are maintained in the Agreement. For motion pictures and video-tape production services, mode 1 remains unbound, while mode 2 is fully open. Full market access is granted in mode 3, but limitations on national treatment are imposed, with grants entitlements available only for Israeli movies with a minimum of 25% Israeli investments. Furthermore, modes 2-3 continue to remain open for the distribution of motion pictures and videotape services, and mode 1 remains unbound.

4.4.2.2.3 Distribution services

4.40. While the entire sector is unbound under its GATS commitments, Israel has undertaken full commitments for services related to wholesale and retail trade services of motor vehicles, and sales of motorcycles and snowmobiles and related parts and accessories. In addition, partial commitments have been made, with mode 3 fully open, leaving modes 1-2 unbound, for services related to the retail sales of fuel oil, bottled gas, coal, and wood.

4.4.2.2.4 Environmental services

4.41. Israel has no commitments for environmental services under the GATS, but full commitments have been added to the Agreement for almost the entire sector, with the exception of services related to industrial activities.

4.4.2.2.5 Financial services

4.42. Israel has general head notes in its Schedules (both in the GATS and the Agreement) which apply horizontally to covered financial services. Under the GATS, financial service commitments are governed by the Annex on Financial Services with restrictions on currency convertibility, impacting the purchase of foreign currency by permanent residents, although these restrictions are not intended to discriminate against foreign financial service providers. Modes 1-2 for certain financial services are unbound due to currency control laws and licensing requirements.³⁴

4.43. No new sectoral commitments are added to the Agreement compared to the GATS although some improvements to existing commitments are made. For life insurance, including pension funds, mode 3 is liberalized, and modes 1-2 are unbound in both the GATS and the Agreement. These commitments also apply to non-life insurance services, with a mode 2 condition regarding the purchase of compulsory car insurance.³⁵ No changes are made to marine, aviation, and other transport (M.A.T) services, which are liberalized in the GATS. By withdrawing the national treatment limitation for modes 1-3, reinsurance and retrocession are fully opened in the Agreement. Additionally, mode 3 for several services auxiliary to insurance³⁶ is fully opened, while modes 1-2 are unbound in both the GATS and the Agreement.

³² 75% of board members for public local telephone services, and the majority of board members for long-distance and mobile telephone services, must be Israeli citizens or residents.

³³ Excess capacity may only be resold by a supplier with an appropriate license; must be point-to-point without any transmission to a third party. A supplier of private network services wishing to connect private locations must either obtain a public voice telephone license or use a licensed public voice telephone supplier.

³⁴ A number of restrictions on establishment or residence are maintained for prudential reasons.

³⁵ Compulsory car insurance must be purchased in Israel from an insurance company established in Israel and licenced by the Israeli commissioner of insurance.

³⁶ Consultancy, actuarial, risk assessment, and claim settlement services.

4.44. Israel's partial commitments in the GATS for banking services remains unchanged in the Agreement.³⁷ These commitments primarily involve opening up mode 3 with certain conditions for several banking services.³⁸ Conditional modes 1-2 commitments³⁹ are made for services related to lending of all types (vi). Additionally, mode 3 is fully opened for a few other service categories, including all payment and money transmission services (viii), money market instruments (x.a), foreign exchange (x.b), and transferable securities (x.c). However, full commitments in mode 3 for advisory, intermediation, and other auxiliary financial services (xvi) are reduced in the Agreement by prohibiting banks from providing advice on acquisitions, corporate restructuring, and strategy. Services related to guarantees and commitments (ix) and the provision and transfer of financial information (xv) are fully liberalized.

4.4.2.2.6 Tourism and travel related services

4.45. Israel's partial commitments in tourism and travel-related services have been enhanced in the Agreement. By removing the GATS market access condition for mode 3 and the national treatment limitation on mode 2, modes 2-3 are fully open for hotel services. Similar conditions and limitations on mode 3 for travel agencies, tour operators, and tourist guide services have also been withdrawn, resulting in modes 2-3 being fully opened in the Agreement. Food serving services (CPC 642-643) remain open, as in the GATS.

4.4.2.2.7 Transport services

4.46. The entire sector is unbound under the GATS. Under the Agreement, Israel makes partial commitments for services related to the maintenance and repair of aircraft and parts thereof, opening modes 1-2 and, with market access conditions but no national treatment limitations in mode 3. Computer reservation systems for air transport services are liberalized. For road transport services, modes 1-2 are fully opened, leaving mode 3 unbound for several categories⁴⁰, while a few other categories⁴¹ under the subsector are liberalized. Similarly, services auxiliary to all modes of transport, in particular cargo handling services, are fully liberalized.

4.4.2.2.8 Construction and related engineering services; Educational services; Health related and social services; and Recreational, cultural and sporting services

4.47. The sectors are unbound both in the GATS and the Agreement.

4.5 Regulatory provisions

4.5.1 Domestic regulation

4.48. Article 11.7 of the Agreement closely resembles Article VI of GATS. Furthermore, the Parties expect to include any newly agreed disciplines from GATS negotiations on Article VI.4 into the Agreement.

4.5.2 Recognition

4.49. Article 11.8, which closely resembles the provisions of Article VII of the GATS, pertains to the recognition of service suppliers. Professional bodies of both Parties may negotiate agreements for the mutual recognition of education, experience, requirements, licenses, or certifications. Upon a

³⁷ Roman numerals in brackets after the service categories in banking services refer to the definitions of service categories as outlined in paragraph 5 of the GATS Annex on financial services.

³⁸ Mode 3 market access conditions and covered sectors include: nonbanking institutions seeking services related to the acceptance of deposits and other repayable funds (v), lending (vi), and financial leasing (vii) are unbound; banks are obligated to conduct activities exclusively through subsidiaries for services related to participation in issues of all kinds of securities (xi) and asset management (xiii); securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for Stock Exchange members seeking services related to settlement and clearing services (xiv).

³⁹ Only licensed banking institutions can conduct these activities as authorized dealers.

⁴⁰ Freight transportation (transportation of containerized freight CPC 71233), transportation of furniture (CPC 71234), and freight transportation by man or animal drawn vehicle (CPC 71263).

⁴¹ Maintenance and repair services of motor vehicles (CPC 6112), repair services of motor vehicles, trailers and semi-trailers on a fee or contract basis (CPC 8867).

written request, the receiving Party must forward it to its relevant professional body. Progress and impediments shall be reported periodically to the Joint Committee. Delays in negotiations shall not be considered a breach of obligations or subject to Chapter 12 (dispute settlement).

4.5.3 Subsidies

4.50. There are no specific provisions on subsidies under Chapter 11 (trade in services); however, there are some subsidy-related matters in the Chapter. For example, Colombia reserves the right to adopt or maintain any measure regarding the granting of subsidies or support to domestic service providers for most of the services in its Schedule. Subsidies are excluded from Chapter 10 (investment) (See Section 4.5.5.2).

4.5.4 Safeguards

4.51. The Agreement does not contain a general safeguard provision in trade in services.

4.5.5 Other

4.5.5.1 Monopolies and exclusive service suppliers

4.52. Provisions on monopolies and exclusive service suppliers in Article 11.11 replicate those of Article VIII of the GATS.

4.53. Under Article 11.12, the Parties also recognise that certain business practices of service suppliers, other than those under the provisions on monopolies and exclusive service suppliers may restrain competition and thereby restrict trade in services. Paragraph 2 of Article 11.12 mirrors the provisions on business practices in Article IX of the GATS, including with regards to consultations between the Parties.

4.5.5.2 Investment

4.54. Chapter 10 governs specific provision on investment under the Agreement.⁴² It excludes public debt operations and certain claims to money arising from commercial contracts or credits (Article 10.1). The Chapter applies to investments made by investors of the home Party in the territory of the host Party, both existing at the time of the Agreement's entry into force and those made afterward. Article 10.3 provides for the promotion and protection of investments that each Party shall encourage and create favourable conditions for investments by investors of the other Party while ensuring that investments receive fair and equitable treatment, full protection, and security. The provisions of the Chapter shall not override better treatment given to investors or their investments under the host Party's laws or international obligations (Article 10.10).

4.55. Article 10.6 ensures the right of investors to transfer capital, returns, payments, and proceeds from the sale of investments. It also outlines the terms and conditions for such transfers, including compliance with fiscal and financial obligations. Article 10.7 sets out rules for expropriation, emphasizing that investments should not be expropriated except for a public purpose and with prompt, adequate, and effective compensation. Home Party investors experiencing losses from war, armed conflict, or similar events in the host Party's territory must be compensated with no less favourable treatment than to the host Party's own investors or third-party investors, with freely transferable payments. Requisitioned property or non-combat-related property destruction by the host Party, must be restituted or adequately compensated with freely transferable payments (Article 10.8). Under subrogation provisions in Article 10.9 if the home Party or its designated Agency pays for an indemnity, guarantee, or insurance related to an investment in the host Party's territory, the host Party must recognize the home Party's right to take over the investor's rights, claims, and obligations through subrogation. The home Party must receive payments in the same way as the original investor regarding the investment and its returns.

⁴² "Investment" is defined broadly, including movable and immovable property, intellectual property rights, rights derived from stocks, shares, bonds, debentures, claims to money, goodwill and other assets, and business concessions.

4.56. Article 10.11 outlines exceptions that each Party can take for essential security interests or measures in the financial sector for prudential reasons, provided they are in good faith and non-discriminatory. The disciplines of the Chapter 10 regarding fair and equal treatment do not require one Party to grant to investors from the other Party the same tax or trade benefits provided in separate international agreements or tax legislation, or those that might be established in the future through customs unions, free trade agreements, or common markets.

4.57. If any inconsistencies arise from the provisions of Chapter 10 and other Chapters of the Agreement, the later shall prevail to the extent of the inconsistency (Article 10.15). For investments made during the Agreement's validity, its rules will continue to apply for 10 years after the Agreement's termination, and general international law will apply afterward (Article 10.16).

4.6 Sector specific provisions on trade in services

4.6.1 Telecommunications⁴³

4.58. Annex 11-D on telecommunications builds upon the GATS and its Annex on Telecommunications including the Reference paper of the WTO Negotiating Group on Basic Telecommunications of 24 April 1996 (hereafter WTO Reference paper). It applies to measures affecting trade in telecommunication services under the framework of Chapter 11 (trade in services) but not to measures affecting broadcasting or to cable distribution of radio or television programming services as defined by the laws and regulations of the Parties (Article 1).

4.59. Under Article 2, the disciplines on competitive safeguards mirror paragraph 1 of WTO Reference paper with the Parties agreeing to prevent major suppliers from engaging in anti-competitive practices. Also, as in paragraph 2 of the WTO Reference paper, the Parties will ensure that suppliers licensed for telecommunications services have interconnection rights, and interconnection rates shall be cost-based or regulated. Interconnection shall be negotiated between service suppliers and the competent authority of the Party shall be able to intervene in case of difficulties.

4.60. The Parties preserve their right to define their own universal service obligations, but in a transparent, objective, non-discriminatory, and not excessively burdensome manner (Article 4).

4.61. Provisions on licensing procedures, independent regulatory authority, and scarce resources are also similar to those found in WTO Reference paper and must be objective, transparent, and non-discriminatory (Articles 6 and 7). Each Party must ensure that suppliers have recourse to a regulatory authority or other relevant body to resolve disputes, including those related to interconnection with major suppliers. Decisions can be appealed to an independent body or the courts (Article 8). The Parties must also make information about access to and use of public telecommunications transport networks and services publicly available, including details on tariffs, technical specifications, standards, and relevant requirements for equipment.

4.6.2 Financial Services⁴⁴

4.62. Annex 11-C on trade in financial services applies to all financial services between the Parties, through any mode of supply as defined in the GATS. (Article 1). The provisions in Annex 11-C closely mirror the GATS Annex on Financial Services.

4.63. Each Party agrees to grant financial services suppliers of the other Party established in its territory access to the use of payment and clearing systems operated by public entities and to official funding and refinancing facilities available in the normal course of ordinary business, provided that they accord national treatment⁴⁵ (Article 2).

⁴³ The Articles referred to in this section are from Annex 11-D unless otherwise specified.

⁴⁴ The Articles referred to in this section are from Annex 11-C unless otherwise specified.

⁴⁵ If a Party requires membership, participation, or access to any self-regulatory bodies, futures exchange or markets, clearing agencies, or any other organizations or associations for financial service suppliers from another Party to offer their services on an equal footing with domestic suppliers, or if the Party offers these

4.64. The prudential carve-out in Article 3 reflects the GATS Annex on Financial Services and permits the Parties to adopt or maintain measures for prudential reasons, which include protecting investors and ensuring financial system stability. As in the Annex, a Party must provide the other Party with opportunities for negotiations if it recognizes the prudential measures of a third party. (Article 4).

4.65. The Parties shall permit the transfer of information in electronic or other forms for data processing by financial service suppliers while maintaining measures to protect personal data and privacy and confidential information (Article 5).

4.66. Article 6 provides specific exceptions for exclusive services as part of public retirement plans or social security systems, except if domestic regulations allow competition with public entities or private institutions; activities or measures related to monetary and credit policies by central banks or public entities; the provision of activities or services using the Parties' financial resources, as per domestic regulations; and limits on transfers by financial institutions or cross-border service providers to protect safety and soundness, as long as it is fair and non-discriminatory. This provision however does not prejudice any other provision of the Agreement that permits a Party to restrict transfers.

5 GENERAL PROVISIONS OF THE AGREEMENT

5.1 Transparency

5.1. While there are no horizontal transparency provisions, the Agreement contains specific provisions on transparency in various Chapters that are discussed in the corresponding sections of the factual presentations. The Agreement ensures the confidentiality of information in accordance with the regulations of the Parties and the protection of personal data and information. Accordingly, the Parties are not obliged to provide or grant access to confidential information if such disclosure would obstruct law enforcement, be against the public interest, harm the legitimate commercial interests of individuals or enterprises, whether public or private, including service providers as defined in Article 11.2 (Article 14.5).

5.2 Current payments and capital movements

5.2. Except for restrictions to safeguard the balance of payments (BOP), a Party shall not apply any restrictions on international transfers and payments for current transactions related to its specific commitments (Article 11.13). Similarly, without prejudicing the rights to remedy BOP difficulties and address exchange rates or monetary policy issues, the Parties guarantee investors (under Chapter 10 'Investment') of either Party the right to unrestricted transfer of their capital, returns, payments pursuant to foreign loans, payments arising from the settlement of a dispute under Article 10.12 (investment disputes), and salaries and remunerations received by employees hired overseas in connection with an investment (Article 10.6). The Parties reaffirm their rights and obligations under the IMF Articles of Agreement, including the use of exchange actions.

5.3 Exceptions

5.3.1 General exceptions

5.3. Under Article 14.1, the Agreement incorporates, *mutatis mutandis*, the provisions of GATT Article XX and GATS Article XIV, including its footnotes, on general exceptions applicable to trade in goods, services and investment.

5.3.2 Security exceptions

5.4. The provision on security exceptions (Article 14.2) replicates most of Article XXI of GATT 1994, Article XIVbis of GATS, and Article 73 of the TRIPS Agreement.

entities special privileges or advantages, the Party must ensure that national treatment is granted to service suppliers of the other Party resident in its territory

5.3.3 Taxation

5.5. Article 14.3 addresses taxation measures. Except as set out in the Article, nothing in the Agreement applies to taxation measures.⁴⁶ The Agreement does not prohibit the Parties from taking measures to ensure effective and equitable imposition of direct tax, distinguish between taxpayers based on various criteria, or prevent tax avoidance or evasion. The Parties preserve their rights and obligations under any tax conventions, with the tax conventions taking precedence in case of inconsistency.

5.3.4 Balance-of-payments safeguards

5.6. Although the Parties endeavor to avoid the imposition of BOP restrictions under the Agreement, they may take safeguard measures under the Agreement to remedy BOP difficulties arising from both trade in goods and services. For the application of such measures for trade in goods, provisions of understanding on the BOP provision of GATT 1994 have been adopted in the Agreement (Article 2.4). Similarly, for trade in services, the Parties reaffirm their rights and obligations under the GATS, for which they incorporate the provisions of paragraphs 1 to 3 of GATS Article XII into the Agreement, making them a part of Chapter 11 (trade in services). If either Party adopts or maintains such restrictions, they shall promptly notify the Joint Committee (Article 11.14)

5.3.5 Other exceptions

5.7. The restriction on importing non-kosher meat into Israel is not deemed a violation of the Agreement (Article 14.4)

5.4 Accession and withdrawal

5.8. There are no provisions on accession to the Agreement. Through written diplomatic notes, either Party may terminate the Agreement; termination takes effect on the first day of the six months following the date of such note (Article 15.4).

5.5 Institutional framework

5.9. Chapter 13 (institutional provisions) establishes a Joint Committee which is responsible for administering the Agreement, ensuring its proper implementation, and addressing various trade-related matters. It can also initiate negotiations to deepen liberalization, recommend amendments to the Agreement, and modify specific rules. The Parties exchange information and hold consultations within the Joint Committee. Article 13.4 establishes various Sub-Committees as discussed in other sections of the factual presentation and working groups. The Free Trade Agreement Coordinators from each Party facilitate communication and follow up on Joint Committee decisions.⁴⁷

5.6 Dispute settlement

5.10. Except otherwise provided under any specific provision of the Agreement, Chapter 12 applies to any disputes arising from the interpretation, application, and fulfilment or non-fulfilment of the provisions of the Agreement (Article 12.2). It permits a Party to seek dispute settlement if it believes its expected benefits under the Agreement are impaired or nullified by the other Party's measures, even if not explicitly inconsistent with the Agreement. The Parties can also reach a mutually agreed solution at any stage of the process, which will end upon notification to the Joint Committee (Article 12.3).

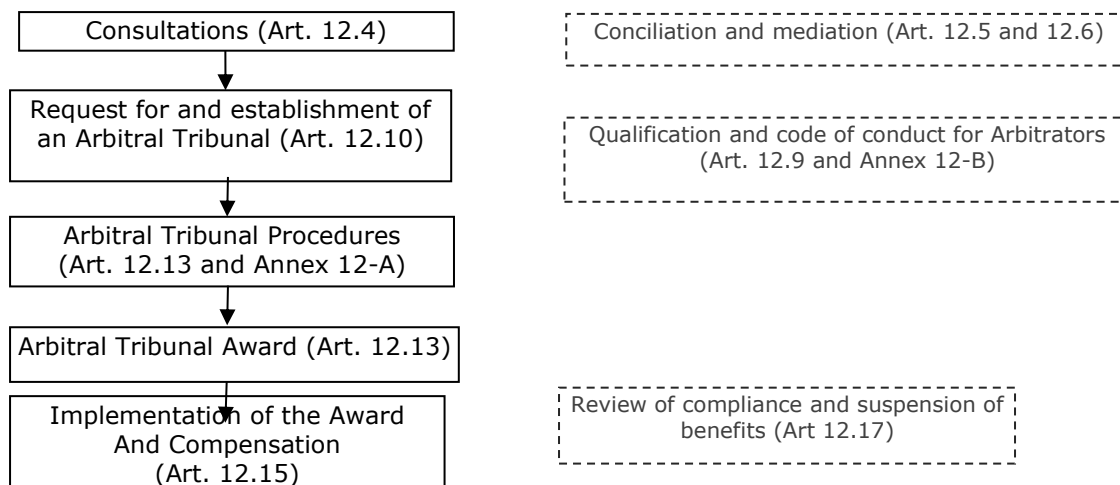
5.11. Article 12.7 provides the Parties with a choice of forum between the Agreement and other international trade agreements to which they are party, including the WTO Agreements. Once dispute settlement procedures are initiated under either forum, the chosen forum is to be used to

⁴⁶ Article 2.3 (National Treatment) applies to taxation measures in a manner similar to Article III of the GATT 1994 and its Interpretative Notes, and Article 2.11 (Customs Duties on Exports) also applies to taxation measures.

⁴⁷ The Parties confirm that meetings of any committees are yet to be convened; however, the first meeting of the Joint Committee (JC) and its Subcommittees is scheduled to take place at the beginning of 2024.

the exclusion of the other. Figure 5.1 below summarizes the main steps of the dispute settlement mechanism under the Agreement.

Figure 5.1 Dispute Settlement Mechanism under the Agreement



Source: WTO Secretariat based on the Agreement.

5.12. The Parties shall endeavour to resolve any dispute under the Agreement through consultations following the procedure described in Article 12.4. Conciliation and mediation are provided as per Article 12.5 and 12.6, respectively. If consultations fail to resolve the dispute, following a request to establish an arbitral tribunal by the complaining Party (Article 12.10), an arbitral tribunal consisting of three arbitrators shall be established as per Article 12.11. They shall issue an award within 90 days (or 120 days if they deem it necessary).⁴⁸ The award shall be final and binding on the Parties and shall be made publicly available within 10 days after issuance, subject to the protection of confidential information (Article 12.13).

5.13. Within 30 days of the award, the responding Party must notify the complaining Party of its plan and timeframe for compliance. If there is disagreement about the time required for compliance, the original arbitral tribunal can decide on the timeframe within 40 days of a request to do so. Before the agreed deadline, the responding Party must also report progress on implementing measures to comply. If the responding Party considers it impracticable to comply with the award, temporary compensation shall be agreed, or, if no agreement on compensation is reached after 15 days from the date of notification, it must comply with the award (Article 12.15).

5.14. If the responding Party does not comply with the award or agreed compensation, the complaining Party can suspend certain benefits under the Agreement upon notification to the responding Party and the Joint Committee of its intended suspension. The suspension is intended to encourage compliance and is temporary and shall end when the issue is resolved, or the Parties reach an agreement on compliance (Article 12.16). If there is disagreement between the Parties on compliance or the proposed suspension of benefits, they can take the matter to the original arbitral tribunal for resolution. The tribunal must issue its award within 30 days for issues related to compliance or suspension, and within 50 days if it involves both (Article 12.17).

5.15. Article 10.12 lays out the procedures for settling investment related disputes between investors from one Party with the other Party. Initially, non-judicial local administrative remedies must be pursued if required by the Party's laws, and if not resolved within six months, the investor can proceed to arbitration. Investment disputes are first addressed through consultations and negotiations, and if not settled within six months, upon request of the investor it will be settled by a competent court of the host Party, conciliation, or arbitration through international bodies like the International Centre for the Settlement of international Disputes (ICSID), or the United Nations Commission on International Trade Law (UNCITRAL), depending on the circumstances. Disputes

⁴⁸ For disputes involving perishable or seasonal goods, the Arbitral Tribunal shall make every effort to issue its award within 45 days (or 75 days in special circumstances).

must be submitted within three years of when an investor knew or should have known about the violation. The award is final and binding, and costs may be awarded against the claimant if the claim lacks legal merit.

5.7 Relationship with other agreements concluded by the Parties

5.16. The Parties reaffirm their rights and obligations towards each other under the WTO Agreement and other agreements to which they are party (Article 1.2).

5.17. Table 5.1 below shows the Parties' RTAs, notified and non-notified, other than the Agreement.

Table 5.1 Colombia and Israel: Participation in other RTAs (notified and non-notified in force), as of 11 January 2024

RTA Name	Entry into force ^a	Coverage ^b	GATT/WTO Notification	
			Year	WTO Provision
COLOMBIA				
United Kingdom - Colombia, Ecuador and Peru	01-Jan-21	G & S	2020	GATT Art. XXIV & GATS Art. V
MERCOSUR - Colombia [AAP.CE 72]	20-Dec-17	G	2022	Enabling Clause (Changes) ^c
EU - Colombia and Peru - Accession of Ecuador	01-Jan-17	G & S	2017	GATT Art. XXIV & GATS Art. V
Costa Rica - Colombia	01-Aug-16	G & S	2016	GATT Art. XXIV & GATS Art. V
Korea, Republic of - Colombia	15-Jul-16	G & S	2016	GATT Art. XXIV & GATS Art. V
Pacific Alliance	01-May-16 (Trade Protocol)	G & S	2016	GATT Art. XXIV & GATS Art. V
EU - Colombia, Ecuador and Peru	01-Mar-13	G & S	2013	GATT Art. XXIV & GATS Art. V
Colombia - Bolivarian Republic of Venezuela [AAP.C 28]	19-Oct-12	G	2020	Enabling Clause (Changes) ^c
United States - Colombia	15-May-12	G & S	2012	GATT Art. XXIV & GATS Art. V
Canada - Colombia	15-Aug-11	G & S	2011	GATT Art. XXIV & GATS Art. V
EFTA - Colombia	01-Jul-11	G & S	2011	GATT Art. XXIV & GATS Art. V
Colombia - Northern Triangle (El Salvador, Guatemala, Honduras)	12-Nov-09	G & S	2012	GATT Art. XXIV & GATS Art. V
Chile - Colombia	08-May-09	G & S	2009	GATT Art. XXIV, Enabling Clause & GATS Art. V
MERCOSUR - Andean Community (except Plurinational State of Bolivia and Peru) [AAP.CE 59]	05-Jan-05	G	2020	Enabling Clause (Changes) ^c
Colombia - Cuba [AAP.CE 49]	14-Jul-01	G	2020	Enabling Clause (Changes) ^c
Latin American Integration Association (LAIA) - Accession of Cuba	26-Aug-99	G	1999	Enabling Clause
CARICOM - Colombia [AAP.A25TM 31]	01-Jan-95	G	2020	Enabling Clause (Changes) ^c
Colombia - Panama [AAP.A25TM 29]	01-Jan-95	G	2020	Enabling Clause (Changes) ^c
Colombia - Mexico	01-Jan-95	G & S	2010	GATT Art. XXIV, Enabling Clause & GATS Art. V
LAIA - Seeds [AAP.AG 2]	18-Jun-93	G	2020	Enabling Clause (Changes) ^c
Global System of Trade Preferences among Developing Countries (GSTP)	19-Apr-89	G	1989	Enabling Clause
LAIA - Cultural Goods [AAR.CEYC 7]	01-Jan-89	G	2020	Enabling Clause (Changes) ^c
Andean Community (CAN)	25-May-88	G	1990	Enabling Clause
Colombia - Nicaragua [AAP.A25TM 6]	02-Sep-85	G	2020	Enabling Clause (Changes) ^c
LAIA- Preferences in favour of Paraguay [AAR.AM 3]	01-Jul-84	G	2020	Enabling Clause (Changes) ^c
LAIA – Agreement on Regional Tariff Preference [AAR.PAR 4]	01-Jul-84	G	2020	Enabling Clause (Changes) ^c
LAIA - Preferences in favour of Ecuador [AAR.AM 2]	01-May-83	G	2020	Enabling Clause (Changes) ^c
LAIA - Preferences in favour of the Plurinational State of Bolivia [AAR.AM 1]	01-May-83	G	2020	Enabling Clause (Changes) ^c
Latin American Integration Association (LAIA)	18-Mar-81	G	1982	Enabling Clause
LAIA - Accession of Panama	03-May-12	G	Not notified	
Andean Community	14-Dec-06	S	Not notified	

RTA Name	Entry into force ^a	Coverage ^b	GATT/WTO Notification	
			Year	WTO Provision
ISRAEL				
United Kingdom - Israel	01-Jan-21	G	2020	GATT Art. XXIV
Ukraine - Israel	01-Jan-21	G	2021	GATT Art. XXIV
Southern Common Market (MERCOSUR) - Israel	23-Dec-09	G	2019	GATT Art. XXIV
Israel - Mexico	01-Jul-00	G	2001	GATT Art. XXIV
EU - Israel	01-Jun-00	G	2000	GATT Art. XXIV
Türkiye - Israel	01-May-97	G	1998	GATT Art. XXIV
Canada - Israel	01-Jan-97	G	1997	GATT Art. XXIV
EFTA - Israel	01-Jan-93	G	1992	GATT Art. XXIV
United States - Israel	19-Aug-85	G	1985	GATT Art. XXIV
Protocol on Trade Negotiations (PTN)	11-Feb-73	G	1971	Enabling Clause
United Arab Emirates – Israel	01-Apr-23	G&S	Not notified	
Korea, Republic of - Israel	01-Dec-22	G	Not notified	
Jordan - Israel	19-Apr-96	G	Not notified	
Panama - Israel	01-Jan-20	G & S	Not notified	

a Dates of the first entry into force/provisional application for at least one of the Parties.

b G stands for trade in goods and S for trade in services.

c Agreement notified as a change to the LAIA's 1980 Treaty of Montevideo; the LAIA reference is indicated in brackets. Further details can be found at: <http://www.aladi.org>.

Source: WTO Secretariat. Further information on these Agreements and on specific dates of entry into force/provisional applications may be found in the WTO Database on RTAs: <http://rtais.wto.org>.

5.8 Government procurement

5.18. Chapter 9 of the Agreement applies to government procurement of goods or services specified in Annex 9-A that exceed the threshold values therein, as also presented in Table 5.2 below. Threshold values are similar for both Parties, except that Israel's thresholds for construction services for sub-central and other entities are higher than those of Colombia. Israel is a party to the WTO Government Procurement Agreement (GPA), and its threshold values in the Agreement and in the GPA are the same⁴⁹, while Colombia is an observer to the GPA.⁵⁰

Table 5.2 Colombia and Israel: Values of thresholds for government procurement under the Agreement

Level of entities	Colombia (in SDR million)			Israel (in SDR million)		
	Goods	Services	Construction	Goods	Services	Construction
Central	0.13	0.13	8.5	0.13	0.13	8.5
Sub-central	0.25	0.25	5.0	0.25	0.25	8.5
Other entities	0.355	0.355	5.0	0.355	0.355	8.5

Source: Annex 9-A of the Agreement.

⁴⁹ While the entities listed at the sub-central government level remain the same, four central government entities and ten other entities listed in the WTO GPA commitments are considered to be added to the Agreement at the time when the results of the renegotiation of the GPA enter into force for Israel. Under the same provision, an additional central government entity, the 'Small and Medium Business Agency,' which was not included in the WTO GPA, will be added to the Agreement. However, Israel confirms that the lists of entities under the Agreement are, in essence, identical to the revised GPA 2012. The 'Small and Medium Business Agency' is part of the Ministry of Economy and, therefore, is included in Israel's commitments in the revised GPA.

⁵⁰ Israel has been a party to the GPA-1994 since 1 January 1996, and acceded to the GPA-2012 on 6 April 2014, and Colombia has been an observer since 27 February 1996.

5.19. The provisions of Chapter 9 closely resemble those of the WTO-GPA 2012.⁵¹ The Parties commit to promoting the involvement of micro, small, and medium enterprises (MSMEs) in tendering procedures by encouraging information exchange, fostering business alliances, and supporting joint participation (Article 9.19). Additionally, they agree to cooperate in enhancing their understanding of each other's government procurement systems and improving market access, particularly for MSMEs. The scope of cooperation includes exchanging information, developing electronic communications, offering capacity assistance to suppliers, and strengthening government institutions (Article 9.20).

5.20. A Sub-Committee on government procurement, as outlined in Article 9.21, is established to assess implementation of Chapter 9, coordinate cooperation efforts, and explore expanding coverage of the Chapter through negotiations. Should a Party offer additional benefits to a third party in the future, it is obliged to engage in negotiations, upon request, with the other Party with the aim to reciprocally extend these advantages under Chapter 9 (Article 9.22). The Parties confirm that the provisions of Chapter 12 (dispute settlement) apply to Chapter 9.

5.9 Intellectual property rights (IPRs)

5.21. The Agreement does not contain any provisions as such on IPRs, however there is reference to the rights and obligation of the Parties under WTO TRIPs Agreement. For example, in Chapter 10 (investment) under Article 10.7 (expropriation), a host Party may permit the use of an intellectual property right, provided the permission is in conformity with the TRIPS Agreement.

5.10 Competition

5.22. The Agreement does not contain specific provisions on competition.

5.11 Environment

5.23. The Agreement does not contain specific provisions on the environment. However, in the preamble, the Parties agree to enforce the Agreement in a manner aligned with environmental protection and conservation, the advancement of sustainable development, and a shared commitment to enhance cooperation on environmental issues. They also committed not to relax their respective domestic environmental legislations to promote investment (Article 10.14) and to cooperate on environmental technology Article (5.2).

5.12 Labour

5.24. The Agreement does not contain general provisions on labour except under mode 4 of trade in services (Chapter 11).

5.13 Electronic commerce⁵²

5.25. Annex B of the Agreement contains provisions on electronic commerce aimed at fostering cooperation and dialogue between the Parties on issues related to electronic commerce. The Parties agree that delivery by electronic means shall be treated as the provision of services, as per Chapter 11 (trade in services), and shall not be subject to customs duties (Article 1).

5.26. Recognizing its potential to enhance trade, the Parties commit to ensuring that the administration and development of electronic commerce align with their respective laws and international data protection standards. They also agree to maintain a dialogue on regulatory aspects, such as the recognition of certificates of electronic signatures, intermediary service provider liability, treatment of unsolicited communications, consumer protection, and the promotion of paperless trading (Article 2). Additionally, Article 3 ensures the Parties' rights on the protection of

⁵¹ Articles 9.1-9.18 cover definitions, scope, security and general exceptions, general principles, information on the procurement system, publication of notices, conditions for participation, registration and qualification of suppliers, time limits, information on intended procurements, negotiation, limited tendering, electronic auctions, treatment of tenders and awarding of contracts, disclosure of information, post-award information, and domestic review procedures.

⁵² All the articles referred to in this section are from Annex B of the Agreement.

personal data, while consumer protection is addressed under Article 5. The Parties also endeavour to make foreign trade administration documents available electronically and accept them as equivalent to paper copies (Article 4).

5.14 Small and medium-sized enterprises (SMEs)

5.27. There are provisions in different Chapters aiming to promote and support SMEs. For example, under Chapter 5 (Technical Assistance and Trade Capacity), the Parties agree to cooperate to foster and develop SMEs, supporting the role of the private sector with an emphasis on SMEs (see Section 5.15.1). Similarly, Chapter 9 (Government Procurement) places emphasis on facilitating SME involvement in procurement (see Section 5.8).

5.15 Other

5.15.1 Cooperation

5.28. Chapter 5 of the Agreement aims to foster cooperation in technical assistance and trade capacity building between the Parties to optimize the implementation of and benefits from the Agreement. They complement provisions in other Chapters of the Agreement. The Parties agree to prioritize cooperation initiatives that focus on enhancing trade capacity, creating opportunities for trade and investment, fostering competitiveness and innovation, promoting the development of SMEs, and supporting the role of the private sector (with an emphasis on SMEs), aiming to build strategic alliances that contribute to mutual economic growth and development. Article 5.2 covers cooperation in various areas, such as agricultural technology, telecommunications, public health, innovation, biotechnology, and environmental technology. The Parties may use different instruments and modalities for cooperation, such as exchanging information, experience, best practices, capacity building, and technical assistance, as well as triangular cooperation for the joint identification, development, and implementation of projects. Cooperation must be led by the designated contact points⁵³ as per Article 5.3. The activities undertaken under Chapter 5 shall not affect other cooperation initiatives based on other bilateral instruments between the Parties.

⁵³ The designated contact point in Colombia is the Chief of the Sectorial Planning Advisory Office at the Ministry of Trade, Industry, and Tourism, while for Israel, it is the Ministry of Economy's Foreign Trade Administration.

ANNEX 1

INDICATORS OF TARIFF LIBERALIZATION AND MARKET ACCESS
OPPORTUNITIES UNDER THE AGREEMENT

1. Tables A1.1 and A1.2 present the Parties' overall tariff elimination under the Agreement *vis-à-vis* MFN tariffs by total, agricultural (HS Chapters 01-24) and industrial (HS Chapters 25-97) products.

2. As shown in Table A1.1, Colombia's overall average applied MFN tariff in 2020 was 6%, 4% for industrial products, and higher at 16.2% for agricultural products. The share of duty-free tariff lines was 53.6% overall, 64.4% for industrial and 1.5% for agricultural products. Upon entry into force of the Agreement in 2020, the overall applied tariff for imports from Israel decreased to 4.8%, and 2.7% and 14.7%, respectively, for industrial and agricultural products. This provided exporters from Israel with a relative margin of preference of 20% overall and 32.5% for industrial and 9.3% for agricultural products. The share of duty-free lines increased to 64.4% overall and 75% and 13%, respectively, for industrial and agricultural products. At the end of the duty elimination period in 2031, the share will further increase to 85.4% overall, and 99.8%¹ and 15.4% for industrial and agricultural products, respectively.

Table A1.1 Colombia: Indicators of MFN and preferential rates for imports from Israel

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average tariff		Share of duty-free tariff lines (%)	Average tariff		Share of duty-free tariff lines (%)	Average tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2020	6.0	13.0	53.6	16.2	16.5	1.5	4.0	11.1	64.4
Israel	2020	4.8	13.5	64.4	14.7	17.0	13.0	2.7	11.0	75.0
	2021	4.4	12.2	64.4	14.7	16.9	13.0	2.2	8.9	75.0
	2022	3.9	11.1	64.7	14.6	16.8	13.1	1.7	6.9	75.3
	2023	3.5	9.8	64.7	14.5	16.7	13.1	1.2	4.9	75.3
	2024	3.0	11.6	73.7	14.5	16.9	14.5	0.7	4.9	85.9
	2025	2.8	10.7	73.7	14.4	16.9	14.5	0.4	2.9	85.9
	2026	2.6	15.3	83.2	14.4	16.8	14.5	0.1	5.2	97.3
	2027	2.5	15.1	83.2	14.3	16.8	14.5	0.1	3.7	97.3
	2028	2.5	14.8	83.2	14.3	16.7	14.5	0.1	2.1	97.3
	2029	2.4	16.8	85.4	14.3	16.9	15.3	0.0	9.3	99.8
	2030	2.4	16.8	85.4	14.3	16.8	15.3	0.0	9.1	99.8
	2031	2.4	16.9	85.4	14.3	17.0	15.4	0.0	10.0	99.8

Note: The tariff liberalization period for duty elimination is until 2031. However, there are eight tariff lines that are part of the Andean Price Band (APB) system, and the *ad valorem* part of the duties for these tariff lines will be eliminated in 5 years from year 15 (2031), while the variable component of the APB System for these lines will still be maintained.

Source: WTO's estimate based on the data provided by the Colombian authorities.

3. In the case of Israel (Table A1.2), its overall average applied MFN tariff in 2020 was 6.5%, and 2.7% for industrial and relatively higher at 25.7% for agricultural products. The share of duty-free tariff lines was 66.9% overall, 71.1% for industrial and 46.8% for agricultural products. Upon entry into force of the Agreement in 2020, the overall applied tariff for imports from Colombia decreased to 4.2%, and 0.1% and 24.5%, respectively, for industrial and agricultural products. This gave exporters from Colombia a relative margin of preference of 35.4% overall and 96.3% and 4.7% for industrial and agricultural products, respectively. The share of duty-free lines rose to 89.7%

¹ Products from HS Chapters 25-97 are considered industrial products in the table. However, according to the classification of agricultural and industrial goods under the Agreement, duties for all industrial products will be eliminated by the end of the tariff elimination period.

overall, and 98.4% and 48.6% respectively for industrial and agricultural products. At the end of implementation in 2024, it will further increase to 90.9% overall, and 99.9% and 48.7% for industrial and agricultural products, respectively.

Table A1.2 Israel: Indicators of MFN and preferential rates for imports from Colombia

Origin of goods	Year	ALL PRODUCTS			HS Chapters 01-24			HS Chapters 25-97		
		Average tariff		Share of duty-free tariff lines (%)	Average tariff		Share of duty-free tariff lines (%)	Average tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2020	6.5	20.2	66.9	25.7	50.6	46.8	2.7	9.4	71.1
Colombia	2020	4.2	44.3	89.7	24.5	50.1	48.6	0.1	8.0	98.4
	2021	4.2	43.9	89.7	24.4	50.1	48.6	0.1	4.9	98.4
	2022	4.1	48.9	90.8	24.4	50.2	48.7	0.0	9.4	99.7
	2023	4.1	48.9	90.8	24.4	50.2	48.7	0.0	7.9	99.7
	2024	4.1	49.9	90.9	24.4	50.2	48.7	0.0	20.0	99.9

Source: WTO's estimate based on the data provided by the Israeli authorities and the WTO-IDB database.

4. Table A1.3 shows market access opportunities for Israel's top 25 export products (at the HS subheading level) in the Colombian market, which accounted for 55.7% of its global exports in 2017-19. These HS subheadings were covered by 81 tariff lines in 2020, of which 61 lines were already duty-free on an MFN basis. Upon entry into force of the Agreement in 2020, 11 lines were liberalized for imports from Israel. One additional line was liberalized in 2022, and all other lines will be liberalized in 2024 (6 lines), 2026 (1 line), and 2029 (1 line).

Table A1.3 Colombia: Market access opportunities under the Agreement for Israel's top 25 exports to the world

Israel's top export products in 2017 - 2019			Access Conditions to Colombia's import markets								
HS number and description of the product		Share in global exports (%)	MFN 2020			Duty-free lines under the Agreement					Remaining dutiable
			Avg. MFN applied tariff (%)	Number of lines		2020	2022	2024	2026	2029	
				duty- free	duti- able						
710239	Diamonds	18.7	0.0	1							
300490	Medicaments	5.4	7.9		7	6	1				
854231	Electronic integrated circuits	3.7	0.0	1							
710231	Non-industrial diamonds	3.5	0.0	1							
880330	Parts of aeroplanes or helicopters	3.2	0.0	1							
300390	Medicaments	2.8	5.0		2	2					
293359	Heterocyclic compounds	1.9	0.0	7							
901890	Instruments and appliances used in medical, surgical or veterinary sciences	1.6	2.5	1	1	1					
310590	Mineral or chemical fertilisers	1.5	0.0	3							
851762	Machines for the reception, conversion and transmission	1.4	0.0	3							
820900	Plates, sticks, tips and the like for tools	1.3	0.0	2							
854370	Electrical machines and apparatus	1.2	0.0	4							
380893	Herbicides	1.2	0.0	5							

Israel's top export products in 2017 - 2019			Access Conditions to Colombia's import markets								
HS number and description of the product		Share in global exports (%)	MFN 2020			Duty-free lines under the Agreement					Remaining dutiable
			Avg. MFN applied tariff (%)	Number of lines		2020	2022	2024	2026	2029	
				duty-free	duti-able						
271020	Petroleum oils	1.1	0.0	1							
851770	Parts of telephone sets, telephones for cellular networks or for other wireless networks	1.0	0.0	1							
903149	Optical instruments, appliances and machines for measuring or checking	0.8	0.0	3							
271019	Medium oils and preparations	0.7	0.3	16	1	1					
392690	Articles of plastics and articles of other materials of heading 3901 to 3914	0.7	10.0	1	8	1		5	1	1	
844319	Printing machinery	0.7	0.0	2							
901819	Electro-diagnostic apparatus	0.6	0.0	1							
880390	Parts of aircraft and spacecraft	0.6	0.0	1							
854239	Electronic integrated circuits	0.6	0.0	1							
842482	Agricultural or horticultural mechanical appliances	0.5	1.3	3	1			1			
844391	Parts and accessories of printing machinery	0.5	0.0	1							
903082	Instruments and apparatus for measuring or checking semiconductor wafers or devices	0.5	0.0	1							
	Total of above	55.7		61	20	11	1	6	1	1	-

Source: WTO's estimate based on the data provided by the Colombian authorities and UNSD-Comtrade database.

5. Similarly, Table A1.4 below shows market access opportunities for Colombia's top 25 export products (at the HS Subheading level) in Israel, which accounted for 79% of its global exports in 2017-19. These 25 HS subheadings were covered by 54 tariff lines in 2020, of which 39 tariff lines were already duty-free on an MFN basis. Duties on imports from Colombia for eight of the remaining 15 dutiable lines were eliminated upon the entry into force of the Agreement in 2020. The 7 tariff lines remaining dutiable relate to motor vehicles, cut flowers, fungicides and doors, MFN applied tariffs on which ranged from 4-10% in 2020.

Table A1.4 Israel: Market access opportunities under the Agreement for Colombia's top 25 exports to the world

Colombia's top export products in 2017 -2019			Access Conditions to Israel's import markets				
HS number and description of the product		Share in global exports (%)	MFN 2020			Duty-free lines under the Agreement 2020	Remain dutiable
			Avg. MFN applied rate (%)	Number of lines			
				duty-free	duti-able		
270900	Petroleum oils and oils obtained from bituminous minerals, crude	31.6	0.0	2			
270112	Bituminous coal	15.3	0.0	1			
090111	Coffee	5.9	0.0	1			
271019	Medium oils and preparations	4.2	0.0	13			
710812	Gold	3.8	0.0	1			

Colombia's top export products in 2017 -2019			Access Conditions to Israel's import markets				
HS number and description of the product		Share in global exports (%)	MFN 2020			Duty-free lines under the Agreement 2020	Remain dutyable
			Avg. MFN applied rate (%)	Number of lines			
				duty -free	duti- able		
271012	Light oils and preparations	2.5	0.0	4			
080390	Fresh or dried bananas	2.1	72.0		2		2
270400	Coke and semi-coke of coal	1.9	0.0	1			
060319	Fresh cut flowers and buds	1.8	10.0		2	1	1
720260	Ferro-nickel	1.2	0.0	1			
151110	Crude palm oil	0.8	0.0	1			
060311	Fresh cut roses and buds	0.8	10.0		1		1
870323	Motor cars	0.8	4.4	3	5	5	
390410	Poly"vinyl chloride"	0.7	0.0	1			
390210	Polypropylene	0.7	0.0	1			
210111	Extracts, essences and concentrates, of coffee	0.6	0.0	1			
060312	Fresh cut carnations and buds	0.6	10.0		1		1
170199	Cane or beet sugar and chemically pure sucrose	0.6	0.0	2			
740400	Waste and scrap, of copper	0.5	0.0	1			
300490	Medicaments	0.5	0.0	1			
380892	Fungicides	0.4	4.0	2	1	1	
761010	Doors	0.4	10.0		1	1	
170490	Sugar confectionery	0.4	2.0	1	1		1
060314	Fresh cut chrysanthemums and buds	0.4	10.0		1		1
390230	Propylene copolymers	0.4	0.0	1			
	Total of above	79.0		39	15	8	7

Source: WTO estimates based on the data provided by Israel authorities, WTO-IDB and UNSD-Comtrade database.

ANNEX 2

1. Tables A2.1 and A2.2 provide detailed information on TRQs applied by the Parties under the Agreement.

Table A2.1 Colombia: TRQs under the Agreement

HS codes	Under the Agreement		MFN 2020 rates (Out-of-quota rates)
	In-quota rates	Quantity (tonnes)	
0603110000	0%	500	5%
0603191000, 0603192000	0%	Aggregate quota of 250	5%
0603193000, 0603194000	0%	Aggregate quota of 250	5%
0603199010, 0603199090	0%	Aggregate quota of 250	5%
0910999000	0%	200	10%
1702301000*, 1702302000*, 1702309000*	0%	Aggregate quota of 100	5%
1901101000, 1901109100, 1901109900	0%	Aggregate quota of 100	20% + APB 15%
1902300000	0%	100	15%
1905320000, 1905400000	0%	Aggregate quota of 500	15%
2007991100, 2007991200, 2007999100, 2007999200	0%	Aggregate quota of 300	15%
2105001000, 2105009000	0%	Aggregate quota of 150	15%
2103902000, 2103909000	0%	Aggregate quota of 200	15%

* Products subject to WTO TRQs.

APB: Andean Price Band System

Sourced: Based on data provided by Colombian authorities.

Table A2.2 Israel: TRQs under the Agreement

HS codes	Under the Agreement		MFN 2020 rates (Out-of-quota rates)
	In-quota rates	Quantity (tonnes)	
02011000, 02012000, 02013000	0%	Aggregate quota of 500	12% + 6.50 NIS/kg
04021020*	0%	100	162%
04022120*	0%	100	212%
0404109000, 0404900000	0%	Aggregate quota of 100	40%
0406902000*, 0406903000*, 0406909000*	0%	Aggregate quota of 300	8.25 NIS/kg 3.99 NIS/kg 7.95 NIS/kg
06031100	0%	500	10%
06031200	0%	250	10%
06031400	0%	250	10%
06031990	0%	250	10%
0703109100, 0703109900	0%	Aggregate quota of 100	0.75 NIS/kg but no more than 298%
0803109000, 0803909000	0%	Aggregate quota of 100	8%
08043010	0%	500	4.41 NIS/kg but no more than 25%
08045020	0%	300	1.23 NIS/kg but no more than 85%
08071100	0%	100	0.43 NIS/kg but no more than 102%
08072000	0%	100	2.43 NIS/kg but no more than 85%

* Products subject to WTO TRQs.

Source: Based on data provided by the Israeli authorities.
