The following communication dated 27 November 1987 has been received from the Permanent Mission of Israel with the request that it be circulated to the contracting parties and considered by the CONTRACTING PARTIES at their forty-third session.

In accordance with the decision of the Customs Cooperation Council that the CCCN be replaced by the Harmonized Commodity Description and Coding System (Harmonized System) on 1 January 1988, the Government of Israel has decided to implement the Harmonized System on that date. Our decision has been based on the fact that a number of our major trading partners will also put into force the Harmonized System on the said date.

The Government of Israel is in the final stage of completing the process of transposing its Customs Tariff from CCCN to the Harmonized System. Once this has been completed, the Harmonized System documentation required under the procedures of Article XXVIII will be prepared on a priority basis and will be circulated to the contracting parties as soon as possible. Israel wishes to emphasize that in the process of conversion, every effort is being made to ensure that no change in the tariff rates of bound items, the Initial Negotiating Rights or the product description will take place. However, Israel is prepared to enter into consultations with any interested contracting parties. In view of the time constraint, it will not be possible for Israel to conduct consultations under the procedures of Article XXVIII of the General Agreement before the scheduled date of implementation.

In order to enable Israel to implement the Harmonized System on 1 January 1988 Israel therefore requests a temporary exemption from its obligations under Article II of the General Agreement until 30 June 1988.

To facilitate consideration of this matter, the text of a draft decision is annexed.
ANNEX

ISRAEL - ESTABLISHMENT OF A NEW SCHEDULE XLII

Draft Decision

Considering that the Government of Israel has notified the CONTRACTING PARTIES that in accordance with the decision of the Customs Co-operation Council that the CCCN be replaced by the Harmonized Commodity Description and Coding System (Harmonized System) on 1 January 1988, the Government of Israel has decided to implement the Harmonized System on that date;

Considering that the Government of Israel is presently in the final stage of completing the transposition of its Customs Tariff from the CCCN to the Harmonized System, and that its Harmonized System documentation required under the procedures of Article XXVIII will be circulated to contracting parties as soon as possible;

Noting that the Government of Israel has emphasized that in the process of conversion, every effort is being made to ensure that no change in the tariff rates of bound items, the Initial Negotiating Rights or the product descriptions will take place, but that the Government of Israel is prepared to enter into consultations with any interested contracting parties;

Recognizing that in view of the time constraint, it will not be possible for the Government of Israel to conduct consultations under the procedures of Article XXVIII of the General Agreement before the scheduled date of implementation;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement,

Decide, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to enable the Government of Israel to implement, on 1 January 1988, the Harmonized Commodity Description and Coding System, subject to the following conditions:

1. The Government of Israel will promptly enter into negotiations and consultations with interested contracting parties pursuant to paragraphs 1-3 of Article XXVIII.

2. The negotiations and consultations mentioned above shall be completed not later than 30 June 1988.

3. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Israel to the extent that they consider that adequate compensation is not offered by the Government of Israel.