

ANNEX 2.1.2 A CANADA

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
06.01 to 06.04	Live plants, bulbs, cut flowers, foliage	Free	Except for roses set out in 0603.10.20
0603.10.20	Roses, fresh	Free	Tariff Quota of not less than 90,000 dozen; any roses over quota are to be subject to the MFN rate of duty
0701.10	Seed potatoes	Free	
0709.90	Other fresh vegetables	Free	Except for goods set out in 0709.90.51 and 0709.90.52 (sweet corn-on-cob), which are to be subject to the GPT or MFN rate of duty, whichever applies
07.12	Dried vegetables	Free	Except for garlic ex 0712.90.90, which is to be subject to the MFN rate of duty
0713.10	Peas, dried	Free	
0713.33	Kidney beans, dried, including white pea beans	Free	
0806.10	Grapes, fresh	Free	
0810.20	Raspberries, blackberries, mulberries and loganberries, fresh	Free	
0810.30	Black, white or red currants and gooseberries, fresh	Free	
0810.40	Cranberries, bilberries and other fruits of the genus Vaccinium, fresh	Free	
09.04	Pepper of the genus Piper, dried or crushed or ground fruits of the genus Capsicum or the genus Pimenta	Free	
09.10	Ginger and other spices	Free	

1001.10.10	Durum wheat, within access commitment	Free	
1001.90.10	Other wheat, within access commitment	Free	
1003.00.11	Barley, for malting, within access commitment	Free	
1003.00.91	Other barley, within access commitment	Free	
1005.90.10	Yellow dent corn (maize)	Free	
1101.00.10	Wheat or meslin flour, within access commitment	Free	
11.06	Flour, meal and powder of leguminous vegetables	Free	
1107.10.11	Malt, not roasted, whole, within access commitment	Free	
1107.10.91	Malt, not roasted, other, within access commitment	Free	
1107.20.11	Malt, roasted, whole, within access commitment	Free	
1107.20.91	Malt, roasted, other, within access commitment	Free	
1212.30	Apricot, peach or plum stones and kernels	Free	
1214.10	Lucerne (alfalfa) meal and pellets	Free	
13.02	Vegetable saps and extracts; pectic substances, mucilages and thickeners	Free	
1601.00.31	Sausages and similar products of turkey, within access commitment	Free	
1601.00.99	Beef sausages and similar products	Free	
1602.31.92	Specially defined mixtures	10%	

	of turkey		
1602.50.99	Other prepared meat of bovine animals	Free	
1604.11	Prepared salmon	Free	
ex 1604.20.90	Gefilte fish	Free	
17.01 to 17.04	Sugars and sugar confectionery	Free	Except for glucose and glucose syrup set out in 1702.30, which are to be subject to the MFN rate of duty
18.01 to 18.06	Cocoa and cocoa preparations	Free	Except for 1806.20.32 and 1806.90.12 (chocolate ice cream mix or ice milk mix), over access commitment in each case, which are to be subject to the MFN rate of duty
1901.10	Baby food (retail)	Free	
1902.11.11	Uncooked pasta, containing eggs, within access commitment	4%	
1902.11.90	Uncooked pasta, containing eggs, with less than 25% wheat content	4%	
1902.19.91	Uncooked pasta, other, within access commitment	4%	
1902.19.99	Uncooked pasta, other, with less than 25% wheat content	4%	
1902.40.10	Couscous, in packages not exceeding 11.34 kg.	5%	
1902.40.20	Couscous, bulk or packages greater than 11.34 kg.	3%	
20.01	Vegetables, fruits, nuts, preserved by vinegar	Free	
2005.70.90	Olives prepared or	6%	Duty to be reduced to 5% on

	preserved, other than ripe olives in brine		January 1, 1998
2005.90.99	Other vegetables, prepared or preserved	Free	Except for carrots which are to be subject to the MFN rate of duty
20.06	Fruit, vegetables, nuts preserved by sugar	Free	
20.07	Jams, fruit jellies and marmalades	Free	
2008.11.10	Peanut butter	Free	
2008.11.20	Peanuts, blanched	Free	
2008.11.90	Peanuts, other	Free	
2008.19	Other nuts, including mixtures	Free	
ex 2008.40	Pear chips	Free	
ex 2008.99	Apple chips	Free	
2009.11	Orange juice, frozen	Free	
2009.19	Orange juice, not frozen	Free	
2009.20	Grapefruit juice	Free	
2009.80.11	Passion fruit juice	Free	
2009.80.12	Prune juice	Free	
2009.80.19	Juice of other single fruit	Free	
2009.90.20	Orange and grapefruit juice mixture, not dehydrated	Free	
21.01	Extracts, essences and concentrates of coffee, tea or maté, chicory and coffee substitutes	Free	
2103.10	Soya sauce	Free	
2103.30	Mustard flour and meal and prepared mustard	Free	
2103.90	Other sauces and	Free	

	preparations		
21.04	Soups and broths and preparations therefor; homogenized composite food preparations and substances	Free	
2106.10	Protein concentrates	Free	
22.03	Beer	Free	
ex 22.04	Kosher wine	Free	
ex 22.05	Kosher vermouth	Free	
22.08	Spirits	Free	Except for 2208.30.00 (whiskies) which is to be subject to the GPT or MFN rate of duty, whichever applies

ANNEX 2.1.2B ISRAEL			
HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
0105.12.90	Live turkey chicks, parent and grandparent stock	0%	No increase in duty without prior consultation
02.02	Bovine meat, frozen	0%	A Tariff Quota of not less than 2,000 tonnes
0206.20	Edible offal of bovine animals, frozen		
0303.10	Pacific salmon, frozen	0%	
0303.22	Atlantic salmon, frozen	0%	
0304.20	Fish fillets frozen	0%	Except for trout set out in ex 0304.20
0305.41	Pacific salmon, smoked	0%	
0305.42	Herrings, smoked	0%	
0511.10	Bovine semen	0%	No increase in duty without prior consultation
06.01 to 06.04	Live plants, bulbs, cut flowers, foliage	0%	Except for roses set out in 0603.10

0603.10	Roses, fresh	0%	A Tariff Quota of not less than 10 tonnes	
0701.10	Seed potatoes	0%	A Tariff Quota of not less than 1,000 tonnes	
07.12	Dried vegetables	0%	Except for garlic set out in 0712.90.10	
0713.10	Peas, dried	0%	A Tariff Quota of not less than 10,000 tonnes	
0713.33	Kidney beans, dried, including white pea beans			
0713.40	Lentils, dried			
0810.20	Raspberries, blackberries, mulberries and loganberries, fresh	0%	A Tariff Quota of not less than 150 tonnes	
0810.30	Black, white or red currants and gooseberries, fresh			
0810.40	Cranberries, bilberries and other fruits of the genus Vaccinium, fresh			
0811.20	Raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries, frozen	14%		
ex 0811.90	Blueberries, frozen	14%		
1001.10	Durum wheat	0%	A Tariff Quota of not less than 150,000 tonnes. Non-feed wheat of 1001.90 is subject to local purchase requirements	
1001.90	Other wheat and meslin			
10.02	Rye	0%	A Tariff Quota of not less than 200,000 tonnes	
10.03	Barley			
10.04	Oats			
1005.10.90 1005.90.00	Maize (corn, except popping corn)			
1008.30	Canary seed	0%	A Tariff Quota of not less	

			than 100 tonnes	
11.01	Wheat or meslin flour	0%	A Tariff Quota of not less than 10,000 tonnes	
1105.10	Potato flour, meal and powder	8%		
1105.20	Potato flakes, granules and pellets	8%		
1106.10 1106.20	Flour, meal and powder of leguminous vegetables	0%		
11.07	Malt, whether or not roasted	0%	A Tariff Quota of not less than 9,000 tonnes	
12.05	Rape (canola) or colza seeds	0%		
1207.50	Mustard seeds	0%		
1212.30	Apricot, peach or plum stones and kernels	0%		
1214.10	Lucerne (alfalfa) meal and pellets	0%		
1301.10	Lac	0%		
13.02	Vegetable saps and extracts; pectic substances, mucilages and thickeners	0%		
15.14	Rape (canola), colza or mustard oil	13%		
1601.00.90	Beef sausages and similar products	0%		
ex 1602.50.90	Other prepared meat of bovine animals, excluding containing over 20 percent poultry meat	0%		
1604.11	Prepared salmon	0%		
17.01 to 17.04	Sugars and sugar confectionery	0%	Except for glucose and glucose syrup set out in 1702 30 which are to be	

			subject to the MFN rate of duty	
18.01 to 18.06	Cocoa and cocoa preparations	0%		
1901.10	Baby food (retail)	0%		
1902.11	Uncooked pasta, containing eggs	8¢US/kg		
1902.19	Uncooked pasta, other	8¢US/kg		
20.01	Vegetables, fruits, nuts preserved by vinegar	0%		
2005.90	Other vegetables, prepared or preserved	0%	Except for carrots set out in 2005.90.30, which are to be subject to the MFN rate of duty	
20.06	Fruit, vegetables, nuts preserved by sugar	0%		
20.07	Jams, fruit jellies and marmalades	0%		
2008.11.10	Ground nuts - food preparation (including peanut butter)	0%		
2008.99	Fruits, other, prepared	12%		
2009.80	Juice of other single fruit	0%		
21.01	Extracts, essences and concentrates of coffee, tea or maté, chicory and coffee substitutes	0%		
2103.10	Soya sauce	0%		
2103.30	Mustard flour and meal and prepared mustard	0%		
2103.90	Other sauces and preparations	0%		
21.04	Soups and broths and preparations therefor; homogenized composite	0%		

	food preparations and substances			
2106.10	Protein concentrates	0%		
22.03	Beer	0%		
22.08	Spirits	0%	Except for 2208.20.00 (Brandy) which is to be subject to the MFN rate of duty	
2309.10.10	Animal feeds	12%		
2309.10.20		8%		
2309.10.90		2%		
2309.90.10		12%		
2309.90.20		8%		
2309.90.30		12%		
2309.90.90		2%		

General Notes to Annexes 2.1.2A and 2.1.2B

1. The "HS No." column sets out those tariff items, subheadings, headings or chapters, as appropriate, with respect to which duty is being reduced or removed.
2. The goods described in the column entitled "Description of Goods" are representative only, except where the respective HS No. is prefaced by "ex", wherein the description sets out all those goods subject to the level of duty in the Duty column.
3. The "Duty" column sets out the rate of duty that shall be effective by January 1, 1997, applicable to the goods classified within the appropriate HS No., subject to the specific provisions.
4. The "Specific Provisions" column sets out any qualifications to the "Description of Goods" and the rate of duty for that HS No.

Annex 2.2.3

Requirements Concerning Verification of Repairs and Alterations

Upon reimportation into the territory of a Party of a good that has been exported to the territory of the other Party for repair or alteration, an importer shall submit:

(a) an invoice or a written statement from the person who performed the repair or alteration, setting out a detailed description of and the value of the repair or alteration; and

(b) proof of exportation of the good to the territory of the other Party.

A n n e x 3.7
Inventory Management Methods

P a r t 1
Fungible Materials

1: Definitions and Interpretation

For purposes of this Part,

average method means the method by which the origin of fungible materials withdrawn from materials inventory is based on the ratio, calculated under Section 4, of originating materials and non-originating materials in materials inventory;

FIFO method means the method by which the origin of fungible materials first received in materials inventory is considered to be the origin of fungible materials first withdrawn from materials inventory;

LIFO method means the method by which the origin of fungible materials last received in materials inventory is considered to be the origin of fungible materials first withdrawn from materials inventory;

materials inventory means,

(a) with respect to a producer of a good, an inventory of fungible materials that are used in the production of the good, and

(b) with respect to a person from whom the producer of the good acquired such fungible materials, an inventory from which fungible materials are sold or otherwise transferred to the producer of the good;

opening inventory means the materials inventory at the time an inventory management method is chosen; and

origin identifier means any mark that identifies fungible materials as originating materials or non-originating materials.

2: General

1. The inventory management methods for determining whether fungible materials referred to in Article 3.7(1)(a) are originating materials are the following:

(a) specific identification method;

(b) FIFO method;

(c) LIFO method; and

(d) average method.

2. Where a producer of a good or a person from whom the producer acquired the materials that are used in the production of the good chooses an inventory management method referred to in paragraph 1, that method, including the averaging period chosen in the case of the averaging method, shall be used from the time the choice is made until the end of the fiscal year of the producer or person.

3: Specific Identification Method

1. Except as otherwise provided under paragraph 2, where the producer or person referred to in Section 2(2) chooses the specific identification method, the producer or person shall physically segregate, in materials inventory, originating materials that are fungible materials from non-originating materials that are fungible materials.

2. Where originating materials or non-originating materials that are fungible materials are marked with an origin identifier, the producer or person need not physically segregate those materials under paragraph 1 if the origin identifier remains visible throughout the production of the good.

4: Average Method

1. Where the producer or person referred to in Section 2(2) chooses the average method, the origin of fungible materials withdrawn from materials inventory is determined on the basis of the ratio of originating materials and non-originating materials in materials inventory that is calculated under paragraphs 2 and 3.

2. The ratio is calculated with respect to a one-month or three-month period, at the choice of the producer or person, by dividing

(a) the sum of

(i) the total units of originating materials or non-originating materials that are fungible materials and that were in materials inventory at the beginning of the preceding one-month or three-month period, and

(ii) the total units of originating materials or non-originating materials that are fungible materials and that were received in materials inventory during that preceding one-month or three-month period,

by

(b) the sum of

(i) the total units of originating materials and non-originating materials that are fungible materials and that were in materials inventory at the beginning of the preceding one-month or three-month period, and

(ii) the total units of originating materials and non-originating materials that are fungible materials and that were received in materials inventory during that preceding one-month or three-month period.

3. The ratio calculated with respect to a preceding one-month or three-month period under paragraph 2 is applied to the fungible materials remaining in materials inventory at the end of the preceding one-month or three-month period.

5: Manner of Dealing with Opening Inventory

1. Except as otherwise provided under paragraphs 2 and 3, where the producer or person referred to in Section 2(2) has fungible materials in opening inventory, the origin of those fungible materials is determined by

(a) identifying, in the books of the producer or person, the latest receipts of fungible materials that add up to the amount of fungible materials in opening inventory;

(b) determining the origin of the fungible materials that make up those receipts; and

(c) considering the origin of those fungible materials to be the origin of the fungible materials in opening inventory.

2. Where the producer or person chooses the specific identification method and has, in opening inventory, originating materials or non-originating materials that are fungible materials and that are marked with an origin identifier, the origin of those fungible materials is determined on the basis of the origin identifier.

3. The producer or person may consider all fungible materials in opening inventory to be non-originating materials.

Part Fungible Goods

II

6: Definitions and Interpretation

For purposes of this Part,

average method means the method by which the origin of fungible goods withdrawn from finished goods inventory is based on the ratio, calculated under Section 9, of originating goods and non-originating goods in finished goods inventory;

FIFO method means the method by which the origin of fungible goods first received in finished goods inventory is considered to be the origin of fungible goods first withdrawn from finished goods inventory;

finished goods inventory means an inventory from which fungible goods are sold or otherwise transferred to another person;

LIFO method means the method by which the origin of fungible goods last received in finished goods inventory is considered to be the origin of fungible goods first withdrawn from finished goods inventory;

opening inventory means the finished goods inventory at the time an inventory management method is chosen; and

origin identifier means any mark that identifies fungible goods as originating goods or non-originating goods.

7: General

1. The inventory management methods for determining whether fungible goods referred to in Article 3.7(1)(b) or (c) are originating goods are the following:

(a) specific identification method;

(b) FIFO method;

(c) LIFO method; and

(d) average method.

2. Where an exporter of a good or a person from whom the exporter acquired the good chooses an inventory management method referred to in paragraph 1, that method, including the averaging period chosen in the case of the averaging method, shall be used from the time the choice is made until the end of the fiscal year of the exporter or person.

8: Specific Identification Method

1. Except as provided under paragraph 2, where the exporter or person referred to in Section 7(2) chooses the specific identification method, the exporter or person shall physically segregate, in finished goods inventory, originating goods that are fungible goods from non-originating goods that are fungible goods.

2. Where originating goods or non-originating goods that are fungible goods are marked with an origin identifier, the exporter or person need not physically segregate those goods under paragraph 1 if the origin identifier is visible on the fungible goods.

9: Average Method

1. Where the exporter or person referred to in Section 7(2) chooses the average method, the origin of each shipment of fungible goods withdrawn from finished goods inventory during a one-month or three-month period, at the choice of the exporter or person, is determined on the basis of the ratio of originating goods and non-originating goods in finished goods inventory for the preceding one-month or three-month period that is calculated by dividing

(a) the sum of

(i) the total units of originating goods or non-originating goods that are fungible goods and that were in finished goods inventory at the beginning of the preceding one-month or three-month period, and

(ii) the total units of originating goods or non-originating goods that are fungible goods and that were received in finished goods inventory during that preceding one-month or three-month period,

by

(b) the sum of

(i) the total units of originating goods and non-originating goods that are fungible goods and that were in finished goods inventory at the beginning of the preceding one-month or three-month period, and

(ii) the total units of originating goods and non-originating goods that are fungible goods and that were received in finished goods inventory during that preceding one-month or three-month period.

2. The ratio calculated with respect to a preceding month or three-month period under paragraph 1 is applied to the fungible goods remaining in finished goods inventory at the end of the preceding month or three-month period.

10: Manner of Dealing with Opening Inventory

1. Except as otherwise provided under paragraphs 2 and 3, where the exporter or person referred to in Section 7(2) has fungible goods in opening inventory, the origin of those fungible goods is determined by

(a) identifying, in the books of the exporter or person, the latest receipts of fungible goods that add up to the amount of fungible goods in opening inventory;

(b) determining the origin of the fungible goods that make up those receipts; and

(c) considering the origin of those fungible goods to be the origin of the fungible goods in opening inventory.

2. Where the exporter or person chooses the specific identification method and has, in opening inventory, originating goods or non-originating goods that are fungible goods and that are marked with an origin identifier, the origin of those fungible goods is determined on the basis of the origin identifier.

3. The exporter or person may consider all fungible goods in opening inventory to be non-originating goods.

A n n e x

3.12.5

Methods for Determining the Value of Non-Originating Materials

Under Article 3.2(1) Where Identical Materials or Fungible Materials Are Used in the Production of the Good

1: Definitions and Interpretation

For purposes of this Annex, with respect to non-originating materials referred to in Article 3.2(1):

FIFO method means the method by which the value of non-originating materials first received in materials inventory, determined in accordance with Article 3.12(6), is considered to be the value of non-originating materials used in the production of the good first shipped to the buyer of the good;

LIFO method means the method by which the value of non-originating materials last received in materials inventory, determined in accordance with Article 3.12(6), is considered to be the value of non-originating materials used in the production of the good first shipped to the buyer of the good;

materials inventory means, with respect to a single plant of the producer of a good, an inventory of non-originating materials that are identical materials and that are used in the production of the good; and

rolling average method means the method by which the value of non-originating materials used in the production of a good that is shipped to the buyer of the good is based on the average value, calculated in accordance with paragraph 3, of the non-originating materials in materials inventory.

2: General

1. The methods for determining the value of non-originating materials that are identical materials or fungible materials and that are referred to in Article 3.12(5) are the following:

- (a) FIFO method;
- (b) LIFO method; and
- (c) rolling average method.

2. Where a producer of a good chooses, with respect to non-originating materials that are identical materials or fungible materials, any of the methods referred to in paragraph 1, the producer may not use another of those methods with respect to any other non-originating materials that are identical materials or fungible materials, as the case may be, and that are used in the production of that good or in the production of any other good with respect to which the calculation under Article 3.12(2) has been made.

3. Where a producer of a good produces the good in more than one plant, the method chosen by the producer shall be used with respect to all plants of the producer in which the good is produced.

4. The method chosen by the producer to determine the value of non-originating materials may be chosen at any time during the producer's fiscal year and may not be changed during that fiscal year.

3: Average Value for Rolling Average Method

1. The average value of non-originating materials that are identical materials or fungible materials and that are used in the production of a good that is shipped to the buyer of the goods is calculated by dividing

(a) the total value of non-originating materials that are identical materials or fungible materials, as the case may be, and that are in materials inventory prior to the shipment of the good, determined in accordance with Article 3.12(6),

by

(b) the total units of those non-originating materials in materials inventory prior to the shipment of the good.

2. The average value calculated under paragraph 1 is applied to the remaining units of non-originating materials in materials inventory.

Annex 4.1

Exceptions to Article 4.1

Section A - Canadian Measures

1. Article 4.1 shall not apply to controls by Canada on the export of logs of all species.

2. Article 4.1 shall not apply to controls by Canada on the export of unprocessed fish pursuant to the following existing statutes, as amended as of August 12, 1992:

(a) New Brunswick Fish Processing Act, R.S.N.B. c. F-18.01 (1982), and Fisheries Development Act, S.N.B. c. F-15.1 (1977);

(b) Newfoundland Fish Inspection Act, R.S.N. 1990, c. F-12;

(c) Nova Scotia Fisheries Act, S.N.S. 1977, c. 9;

(d) Prince Edward Island Fish Inspection Act, R.S.P.E.I. 1988, c. F-13; and

(e) Quebec Marine Products Processing Act, No. 38, S.Q. 1987, c. 51.

3. Article 4.1 shall not apply to:

(a) measures by Canada respecting the exportation of liquor for delivery into any country into which the importation of liquor is prohibited by law under the existing provisions of the Export Act, R.S.C. 1985, c. E-18, as amended,

(b) Canadian excise duties on absolute alcohol used in manufacturing under the existing provisions of the Excise Act, R.S.C. 1985, c. E-14, as amended, and

(c) measures by Canada prohibiting the use of foreign or non-duty paid ships in the coasting trade of Canada unless granted a license under the Coasting Trade Act, S.C. 1992, c. 31, to the extent that such provisions were mandatory legislation at the time of Canada's accession to the GATT 1947 and have not been amended so as to decrease their conformity with the GATT 1994.

4. Article 4.1 shall not apply to:

(a) the continuation or prompt renewal of a non-conforming provision of any statute referred to in paragraph 2 or 3; and

(b) the amendment to a non-conforming provision of any statute referred to in paragraph 2 or 3 to the extent that the amendment does not decrease the conformity of the provision with Article 4.1.

Section B - Israeli Measures

1. Article 4.1 shall not apply to:

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

(b) controls on imports of plastic, rubber, paper, metal and glass that are maintained by Israel for ecological purposes;

(c) subject to Israeli law, imports of meat not approved by the Chief Rabbinate; and

(d) controls maintained by Israel on the import of used clothing and made-up textile seconds.

Annex 5.6.2

Procedures Regarding an Origin Verification Conducted by the Customs Administration of a Party on Behalf of the Other Party

Pursuant to Article 5.6(2)

1. Where the circumstances contemplated under Article 5.6(2) exist, the customs administration of the Party into whose territory a good is imported shall initiate an origin verification by sending

(a) the written questionnaire; or

(b) a letter requesting that a verification visit be conducted on its behalf to the office designated for such purpose by the customs administration of the Party from whose territory the good is exported.

2. On receipt of a written questionnaire or a letter referred to in paragraph 1, the customs administration of the Party from whose territory the good was exported shall:

(a) in the case of a questionnaire, forward a true copy thereof to the exporter or producer whose good is subject to the origin verification for completion and signature within 30 days from the date of delivery to such exporter or producer; and

(b) in the case of a letter, on the basis of information provided therein, prepare and send the notification referred to in Article 5.6(3) to the exporter or producer whose good is subject to the verification visit and obtain the written consent thereof within 30 days from the date of delivery of the notification to that exporter or producer.

3. The customs administration of the Party from whose territory the good was exported shall:

(a) notify the customs administration of the Party that initiated the origin verification under paragraph 1 of the date on which the questionnaire or the written notification referred to under paragraph 2 was delivered to the exporter or producer whose good is the subject of the origin verification; and

(b) upon the 30th day after the date referred to in subparagraph 3(a), either

(i) forward the completed questionnaire or written consent, as the case may be, to the customs administration of the Party that initiated the origin verification under paragraph 1, or

(ii) advise the customs administration of that Party that the questionnaire or written consent, as the case may be, has not been received from the exporter or producer whose good is the subject of the origin verification.

4. Where the exporter or producer of the good that is the subject of the verification consents to a verification visit as contemplated by Article 5.6(3), officials of the customs administration of the Party that initiated the verification under paragraph 1 may be present in the offices of the customs administration of the other Party for purposes of directing the manner in which the verification visit is to proceed.

5. The customs administration of the Party from whose territory a good is exported shall, in conducting a origin verification on behalf of the other Party pursuant to this Annex, assume all ordinary expenses associated with conducting the origin verification within its territory except travel and incidental expenses of officials travelling to the territory of that Party as contemplated under paragraph 4.

6. The customs administration of the Party from whose territory a good is exported shall, in conducting an origin verification on behalf of the other Party pursuant to this Annex, if requested by that other Party pursuant to a Customs Mutual Assistance Agreement, certify or authenticate, in the manner required by that other Party, copies of any documents and records obtained during the course of conducting the origin verification.

Annex 8.1

Nullification and Impairment

1. If a Party considers that the application of any measure, that is not inconsistent with the provisions of this Agreement, causes nullification or impairment of any benefit reasonably expected to accrue to that Party, directly or indirectly under the provisions of this Agreement, that Party may, with a view to the satisfactory resolution of the matter, invoke the consultation provisions of Article 8.6 and, if it considers it appropriate, proceed to dispute settlement pursuant to Article 8.7.

2. Paragraph 1 shall not apply to Article 10.5.

Annex 8.9

1. The Commission shall develop and maintain a roster of individuals who are willing and able to serve as panelists. Wherever possible, panelists shall be chosen from this roster. In all cases, panelists shall be chosen strictly on the basis of objectivity, reliability and sound judgment and, where appropriate, have expertise in the particular matter under consideration. Panelists shall not be affiliated with or take instructions from either Party.

2. The remuneration of panelists, their travel and lodging expenses, and all general expenses of the panel shall be borne equally by the Parties. Each panelist shall keep a record and render a final account of his time and expenses, and the panel shall keep a

record and render a final account of all general expenses. The Commission shall establish amounts of remuneration and expenses that will be paid to the panelists.

3. The panel shall be composed of three members, who may be citizens of Canada or Israel. Within 45 days of establishment of the panel, each Party, in consultation with the other Party, shall choose one member of the panel, and the Commission shall endeavour to agree on the third member who shall chair the panel. If a Party fails to appoint its panelists within 45 days, such panelists shall be selected by lot from among its citizens on the roster described in paragraph 1. If the Commission is unable to agree on the Chairperson of the panel then each Party shall nominate a candidate for Chairperson and the Chairperson shall be selected by lot from the nominees agreed upon by the Parties.

4. Panelists may furnish separate opinions on matters not unanimously agreed.

5. No panel may, either in its initial report or its final report, disclose which panelists are associated with majority or minority opinions.

6. Panelists shall be subject to the Code of Conduct established pursuant to Article 8.8. If a Party believes that a panelist is in violation of the Code of Conduct, the Parties shall consult and if the Parties agree, the panelist shall be removed and a new panelist shall be selected in accordance with the procedures of this Annex.

7. If a panelist becomes unable to fulfil panel duties or is disqualified, proceedings of the panel shall be suspended pending the selection of a substitute panelist in accordance with the procedures of this Annex.

Annex 3.1

Specific Rules of Origin

Section A - General Interpretative Note

For purposes of interpreting the rules of origin set out in this Annex:

(a) the specific rule, or specific set of rules, that applies to a particular heading, subheading or tariff item is set out immediately adjacent to the heading, subheading or tariff item;

(b) a rule applicable to a tariff item shall take precedence over a rule applicable to the heading or subheading which is parent to that tariff item;

(c) a requirement of a change in tariff classification applies only to non-originating materials; and

(d) the following definitions apply:

chapter means a chapter of the Harmonized System;

heading means the first four digits in the tariff classification number under the Harmonized System;

section means a section of the Harmonized System;

subheading means the first six digits in the tariff classification number under the Harmonized System; and

tariff item means the first eight digits in the tariff classification number under the Harmonized System as implemented by each Party.

NEW TARIFF ITEMS FOR CANADA-ISRAEL FTA			
TARIFF ITEM	CANADA	ISRAEL	DESCRIPTION
0902.10.aa	0902.10.10	09.02.1010	Tea in bags for individual servings
0902.30.aa	0902.30.10	09.02.3010	Tea in bags for individual servings
1211.10.aa	1211.10.10	12.11.1010	Herbal tea in bags for individual servings
1211.20.aa	1211.20.10	12.11.2010	Herbal tea in bags for individual servings
1211.90.aa	1211.90.10	12.11.9010	Herbal tea in bags for individual servings
1901.20.aa	1901.20.11 1901.20.12 1901.20.21 1901.20.22	19.01.2011 19.01.2021 19.01.2091	Mixes and doughs, containing over 25 per cent by weight of butterfat, not put up for retail sale
1901.90.aa	1901.90.51 1901.90.52 1901.90.53 1901.90.54	19.01.9011 19.01.9021 19.01.9031 19.01.9041	Dairy preparations containing over 50 per cent by weight of milk solids

		19.01.9091	
2106.90.aa	2106.90.91	21.06.9095	Concentrated fruit or vegetable juices,
2106.90.bb	2106.91.92	21.06.9096	fortified with minerals or vitamins:
2106.90.cc	2106.90.31	21.06.9097	
2106.90.dd	2106.90.32	21.06.9098	Of any single fruit or vegetable
	2106.90.93		Of mixtures of fruit or vegetable juices
	2106.90.94		
	2106.90.96		Preparations containing over 50 per cent by weight of milk solids
			Compound alcoholic preparations, not based on one or more odoriferous substances, with an alcoholic strength exceeding 0.5% by volume, of a kind used for the manufacture of beverages
2202.90.aa	2202.90.31	22.02.9010	Fruit or vegetable juices, fortified with minerals or vitamins:
2202.90.bb	2202.90.32	22.02.9020	
2202.90.cc	2202.90.41	22.02.90.30	Of any single fruit or vegetable
	2202.90.42		
	2202.90.43		Of mixtures of fruit or vegetable juices
	2202.90.49		Beverages containing milk
2309.90.aa	2309.90.31	23.09.9091	Animal feeds containing over 50

	2309.90.33 2309.90.35		per cent by weight of milk solids
5402.41.bb	5402.41.11 5402.41.91	54.02.4110	Partially oriented yarn of nylon or other polyamides
7304.41.aa	7304.41.10	73.04.4110	Cold-drawn or cold- rolled (cold- reduced) seamless stainless steel tubes, pipes and hollow profiles of an external diameter of less than 19mm
8406.90.aa 8406.90.bb	8406.90.22 8406.90.32 8406.90.21 8406.90.31	84.06.9010 84.06.9020	Rotors, finished for final assembly Rotors, not further advanced than cleaned or machined for removal of fins, gates, sprues or risers, or to permit location in finishing machinery
8415.90.aa	8415.90.11 8415.90.21 8415.90.31 8415.90.41	84.15.9021 84.15.9091	Chassis, chassis bases or outer cabinets of the goods of subheadings 8415.10-8415.83
8418.99.aa	8418.99.11 8418.99.21 8418.99.31 8418.99.41 8418.99.51	84.18.9991	Door assemblies incorporating at least two of the following: inner panel, outer panel, insulation, hinges or handles

8421.91.aa	8421.91.11	84.21.9111	Drying chambers of the goods of subheading 8421.12 and other parts of clothes dryers incorporating drying chambers Furniture designed to receive the goods of subheading 8421.12
8421.91.bb	8421.91.12	84.21.9112	
8422.90.aa	8422.90.11	84.22.9011	Water containment chambers for the goods of subheading 8422.11 and other parts of dishwashing machines of the household type incorporating water containment chambers Door assemblies for the goods of subheading 8422.11
8422.90.bb	8422.90.22	84.22.90.12	
	8422.90.12		
	8422.90.23		
8450.90.aa	8450.90.11	84.50.9010	Tubs or tub assemblies of the goods of subheadings 8450.11-8450.20 Furniture designed to receive the goods of subheadings 8450.11-8450.20
8450.90.bb	8450.90.21	84.50.9020	
	8450.90.31		
	8450.90.41		
	8450.90.12		
	8450.90.22		
	8450.90.32		

	8450.90.42		
8451.90.aa	8451.90.11	84.51.9011	Drying chambers for the goods of subheadings 8451.21-8451.29 and other parts of drying machines incorporating drying chambers
8451.90.bb	8451.90.21	84.51.9012	
	8451.90.31		
	8451.90.12		
	8451.90.22		
	8451.90.32		Furniture designed to receive the goods of subheadings 8451.21-8451.29
8466.93.aa	8466.93.11	84.66.9320	Bed, base, table, head, tail, saddle, cradle, cross slide, column, arm, saw arm, wheelhead, tailstock, headstock, ram, frame, work-arbour support, and C-frame castings, weldments or fabrications
	8466.93.91		
8466.94.aa	8466.94.11	84.66.9420	Bed, base, table, column, cradle, frame, bolster, crown, slide, rod, tailstock and headstock castings, weldments or fabrications
	8466.94.91		
8471.80.aa	8471.80.10	84.71.8030	Control or adapter units
8471.80.cc	8471.80.91	84.71.8040	Other units suitable for physical incorporation into automatic data processing

			machines, or units thereof
8473.30.aa	8473.30.21	84.73.3010	Printed circuit assemblies, other than for power supplies, for automatic data processing machines of heading 84.71 Parts and accessories of printed circuit assemblies, including face plates and lock latches
8473.30.bb	8473.30.22	84.73.3020	
	8473.30.23		
8482.99.aa	8482.99.11	84.82.9910	Inner or outer races or rings
	8482.99.91		
8503.00.aa	8503.00.11	85.03.0011	Stators or rotors of the goods of heading 85.01
	8503.00.12	85.03.0021	
	8503.00.13	85.03.0091	
	8503.00.14		
	8503.00.15		
	8503.00.16		
	8503.00.17		
	8503.00.18		
	8503.00.19		
8504.40.aa	8504.40.40	85.04.4060	Power supplies for automatic data processing machines of heading 84.71

8504.90.aa	8504.90.80	85.04.9011 85.04.9021 85.04.9031 85.04.9039	Other parts of power supplies for automatic data processing machines of heading 84.71 (parts other than printed circuit assemblies)
8516.60.aa	8516.60.20	85.16.6021 85.16.6031 85.16.6091	Ovens, cooking stoves and ranges
8516.90.aa	8516.90.21	85.16.9091	Housings of the goods of subheading 8516.33
8516.90.bb	8516.90.71	85.16.9092	
8516.90.cc	8516.90.42	85.16.9093	Housings and steel bases of the goods of subheading 8516.40
8516.90.dd	8516.90.41	85.16.9094	
8516.90.ee	8516.90.51	85.16.9095	
8516.90.ff	8516.90.52	85.16.9096	Assemblies for the goods of subheading 8516.50, incorporating more than one of the following: cooking chamber; space structural supporting chassis; door; outer case
8516.90.gg	8516.90.53	85.16.9097	
8516.90.hh	8516.90.61 8516.90.62	85.16.9098	Printed circuit assemblies for the goods of subheading 8516.50 Cooking chambers, whether or not

			<p>assembled</p> <p>Top surface panels, whether or not with heating elements or controls</p> <p>Door assemblies, incorporating more than one of the inner panel, outer panel, window, insulation</p> <p>Housings for goods of subheading 8516.72</p>
8517.80.aa	8517.80.10	85.17.8011 85.17.8021 85.17.8031 85.17.8091	Telephonic
8517.90.aa	8517.90.41	85.17.9021	Parts, incorporating printed circuit assemblies, for telephone sets of subheadings 8517.11-8517.19 Parts, incorporating printed circuit assemblies, for goods of subheadings 8517.22-8517.50 or tariff item 8517.80.aa Other parts incorporating printed circuit assemblies (i.e. other parts than
8517.90.bb	8517.90.42	85.17.9022	
8517.90.cc	8517.90.43	85.17.9023	
8517.90.dd	8517.90.44	85.17.9091	
8517.90.ee	8517.90.39	85.17.9092	
8517.90.gg	8517.90.45	85.17.9093	
	8517.90.46		
	8517.90.11		
	8517.90.12		
	8517.90.13		
	8517.90.14		

	8517.90.14 8517.90.21 8517.90.22 8517.90.23 8517.90.24 8517.90.91 8517.90.92 8517.90.93		other parts than parts classified under tariff item 8517.90.aa or 8517.90.bb) Printed circuit assemblies for goods of heading 85.17 Parts, including face plates and lock latches, for printed circuit assemblies Other parts, other
8518.30.aa	8518.30.10	85.30.3021 85.30.3091	Telephone handsets
8525.30.aa	8525.30.11	85.25.3091	Gyrostabilized television cameras
8528.12.aa 8528.12.gg	8528.12.91 8528.12.92 8528.12.93 8528.12.94 8528.12.95 8528.12.96 8528.12.97 8528.12.99 8528.12.10	85.28.1211 85.28.1212 85.28.1213 85.28.1221 85.28.1222 85.28.1223	Television receivers, other than unfinished or incomplete receivers classified under tariff item 8528.12.gg Incomplete or unfinished television receivers, including assemblies for television receivers consisting of video intermediate (IF) amplifying and detecting systems, video processing and amplification systems, synchronizing and

			deflection circuitry, tuners and tuner control systems and audio detection and amplification systems, plus a power supply, but not incorporating a cathode-ray tube, flat panel screen or similar display
8528.21.aa	8528.21.91	85.28.2131	Video monitors, other than unfinished or incomplete monitors classified under tariff item 8528.21.gg Incomplete or unfinished video monitors, including assemblies for video monitors consisting of video intermediate (IF) amplifying and detecting systems, video processing and amplification systems, synchronizing and deflection circuitry and audio detection and amplification systems, plus a power supply, but not incorporating a cathode-ray tube , flat panel screen or similar display
8528.21.gg	8528.21.92	85.28.2132	
	8528.21.93	85.28.2133	
	8528.21.94	85.28.2134	
	8528.21.95		
	8528.21.96		
	8528.21.99		
	8528.21.10		
8528.30.aa	8528.30.21	85.28.3012	Video projectors, colour, other than unfinished or
8528.30.gg	8528.30.22	85.28.9012	

8528.30.gg	8528.30.22	85.28.9012	incomplete projectors
8528.30.hh	8528.30.23	85.28.3013	classified under tariff item
	8528.30.29	85.28.9013	8528.30.gg
	8528.30.10	85.28.3014	Incomplete or unfinished colour video projectors, including assemblies for video projectors consisting of video intermediate (IF) amplifying and detecting systems, video processing and amplification systems, synchronizing and deflection circuitry and audio detection and amplification systems, plus a power supply, but not incorporating a cathode-ray tube , flat panel screen or similar display
	8528.30.30	85.28.9014	Black and white or other monochrome video projectors
8529.90.aa	8529.90.11	85.29.9031	Printed circuit assemblies of the goods of subheading 8525.10-8525.20
8529.90.bb	8529.90.12	85.29.9032	
8529.90.cc	8529.90.20	85.29.9041	
8529.90.dd	8529.90.38	85.29.9091	Transceiver assemblies for the apparatus of subheading 8526.10, not elsewhere specified
8529.90.ee	8529.90.39	85.29.9092	
8529.90.ff	8529.90.31	85.29.9093	

	8529.90.32	85.29.9094	elsewhere specified
	8529.90.51	85.29.9095	The following parts of television
	8529.90.52	85.29.9096	receivers, video monitors and video projectors:
	8529.90.53		
	8529.90.54		(a) Video intermediate (IF) amplifying and detecting systems;
	8529.90.55		
	8529.90.61		(b) Video processing and amplification systems;
			(c) Synchronizing and deflection circuitry;
			(d) Tuners and tuner control systems;
			(e) Audio detection and amplification systems
			Combinations of parts of 8529.90.cc
			Parts, including face plates and lock latches, of printed circuit assemblies
			Parts, incorporating printed circuit assemblies, of goods of subheading 8525.10, 8525.20

8537.10.aa	8537.10.11 8537.10.19 8537.10.41 8537.10.49	85.37.1021 85.37.1041 85.37.1091	Assembled with outer housings or supports for the goods of headings 84.21,84.22,84.50 or 85.16
8540.91.aa	8540.91.10	85.40.9112	Front panel assemblies
8540.99.aa	8540.99.10	85.40.9910	Electron guns or radio frequency (RF) interaction structures for microwave tubes of subheading 8540.71-8540.79
8548.10.aa	8548.10.10	85.48.1010	Spent primary cells, spent primary batteries and spent electric accumulators
9614.20.aa	9614.20.20	96.14.2010	Roughly shaped blocks of wood or root, for the manufacture of pipes