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**Council for Trade in Goods**

**INTRODUCTION OF HARMONIZED SYSTEM 1996 CHANGES  
INTO WTO SCHEDULES OF TARIFF CONCESSIONS**

Israel – Schedule XLII

*Draft Waiver Decision*

The General Council,

*Considering* that the Members of the WTO, by their Decisions of 13 December 1995, 18 July 1996, 24 April 1997, 22 October 1997, 24 April 1998, 14 October 1998, 15 June 1999, 4 November 1999, 3 May 2000, 8 December 2000, 08 May 2001<sup>1</sup>, acting pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement, suspended the application of the provisions of Article II of GATT 1994 until 30 April 2002, for the purpose of enabling the Members listed in the Annex, including Israel, to implement the recommended amendments to the Harmonized System nomenclature;

*Considering* that by their Decision of 8 May 2001 the Members of the WTO also agreed that it would be the last time an extension of HS96 waiver would be granted on a collective basis, but that this would not, however, preclude Members from requesting waivers on an individual basis;

*Considering* that the Members of the WTO, by their Decisions of 13 May 2002, 15 October 2002, 24 July 2003, 16 December 2003 and 17 May 2004 acting pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement, suspended the application of the provisions of Article II of GATT 1994, until 31 October 2004, for the purpose of enabling Israel to implement the recommended amendments to the Harmonized System nomenclature<sup>2</sup>;

*Noting* that Israel has requested an extension of the waiver for reasons explained in its request<sup>3</sup>;

*Considering* that Israel would need more time to proceed with consultations or possible Article XXVIII negotiations;

*Acting* pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement,

*Decides*, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of GATT 1994, until 31 October 2005, for the purpose of enabling Israel to implement the recommended amendments to the Harmonized System nomenclature, subject to the following conditions:

- (i) Israel shall, where necessary, promptly enter into negotiations and consultations with interested Members pursuant to paragraphs 1-3 of Article XXVIII of GATT 1994;

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<sup>1</sup> WT/L/124 + Corr.1, WT/L/173, WT/L/216, WT/L/243, WT/L/268, WT/L/281, WT/L/303, WT/L/338, WT/L/351, WT/L/379 and WT/L/400.

<sup>2</sup> WT/L/455, WT/L/487, WT/L/531, WT/L/554 and WT/L/568.

<sup>3</sup> G/L/687.

- (ii) the negotiations and consultations mentioned above shall be completed not later than 31 October 2005;
  - (iii) pending the entry into force of the results of the negotiations or consultations mentioned above, the other Members will be free to suspend concessions initially negotiated with Israel to the extent that they consider that adequate compensation is not offered by Israel.
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