

By the virtue of the authority vested in me under sections 3 (b) and 5 of the Customs Tariff and Exemptions Ordinance, hereinafter - the Ordinance), section 1 of the Customs and Tax Law (change of tariff), hatshat 1949 sections 1 to 3) (1) 1937 And 31 of the Purchase Tax (Goods and Services) Law, hatshaib 1952 (3) (hereinafter - the Law) and subject to the Customs, Tax and Purchase Tax (Cancellation of Special Exemption) Law, hatasshiz 1957 (4) I hereby command as follow:

(1) Definitions

In this order -

"Area" – Each of the following: Judea and Samaria, and the Gaza Strip;

"NMT" – No More Than;

"NLT" – No Less Than;

"USA" – United States of America;

"Accession Countries" – Each of the following: San Marino, Canary Islands, Ceuta, Melilla, Monaco;

"EFTA Countries" – Iceland, Liechtenstein, Norway, Switzerland;

"European Union" – Each of the member countries listed: Austria, Italy, Ireland, Estonia, Bulgaria, Belgium, Germany, Denmark, Netherlands, Hungary, Greece, Luxembourg, Latvia, Lithuania, Malta, Slovenia, Slovakia, Spain, Poland, Portugal, Finland, Czech Republic, France, Cyprus, Croatia, Romania, Sweden;

"MERCOSUR Countries" – Uruguay, Argentina, Brazil, Paraguay;

"GATT" – General Agreement on Tariffs and Trade – 1994;

"Dollar" – United States Dollar as calculated in NIS (New Israeli Shekel) according to customs rules (Calculation of Price Denominated in Foreign Currency), 1989;

"Trade Agreement" – An agreement in force between the State of Israel and another state or group of states granting, among other things, preferential customs rates;

"Representative Rate" – The representative rate of the US Dollar as published by the Bank of Israel;

"Gift Packages" – Goods sent as a gift from an individual abroad to an individual in Israel, for their own or their household's use;

"Goods used in Production" – Except for machines, tools, and devices used as production equipment;

"Local Production" – Production not by import;

"Each" – Each one;

"L. Alcohol" – Liter of alcohol;

"M" – Meter;

"Index" – Consumer Price Index published by the Central Bureau of Statistics;

"(Conditional)" – For goods classified under an item marked with this term, a full or partial exemption or a special customs or purchase tax rate is granted only if all conditions for that item are met and as long as they remain met.

For this definition, "item" includes sub-items and sections.

"Price" – Wholesale price as defined in Sections 4 to 4B of the law;

"Transaction Price" – As defined in Section 132(a) of the Customs Ordinance. If the transaction price cannot be determined, the price will be set according to Sections 130(2) to (6) of the said Ordinance, with necessary adjustments;

"Licensed Warehouse" – As defined in the Customs Ordinance;

"ml" – Milliliter;

"mm" – Millimeter;

"mm²" – Square millimeter;

"United Kingdom" – The United Kingdom of Great Britain and Northern Ireland;

"Director General" – The director of a government ministry or someone authorized for the purpose;

"Tax" – Purchase tax under the law;

"VAT" – Value Added Tax as defined in the VAT Law, 1975;

"Parts System" – A collection of parts for assembling a complete or incomplete product that has the characteristic of the complete product;

"Exempt plant for fuel substitution purposes" - one of the following:

(a) A plant whose main activity is manufacturing activity, which consumes fuel that can be classified in the following items: 27.07.209000, 27.07.309000, 27.07.509000, 27.07.999000, 27.10.122900, 27.10.194900, 27.10.197900, 27.10.199900, 27.10.202900, 29.01.109900, 29.02.309000, 29.02.419000, 29.02.429000, 29.02.439000, 29.02.449000, 29.22.159000, 34.03.199000 or 38.14.002900, for use as a feedstock for the production of products in one or more of the industries listed below, provided that the product marketed by the factory for the production of which the fuel was consumed is not classified in one of the above-listed items or in another item subject to tax:

(1) Rubber;

(2) Adhesives;

(3) Detergents;

(4) Printing and ink;

(5) Sealants;

(6) Pesticides;

(7) Agrochemicals;

(8) Explosives;

(9) Flame retardants;

(10) Plastics;

(11) Paints;

(12) Pharmaceuticals;

(13) Edible oils;

(14) Cosmetics;

(15) Sink pastes classified in heading 34.07;

(16) Food additives, nutritional supplements and flavourings used in the food industry;

(17) Polishing, greening and similar preparations classified in heading 34.05;

(18) Lubricating oil additive as defined in rule 1(h1) of the Additional (Israeli) Rules for Chapter 27 and additive preparation as defined in rule 2 of the Additional (Israeli) Rules for Chapter 34;

(19) Aerosols in pressurized containers containing gas, the capacity of which does not exceed 1,000 cubic centimeters, classified in items 27.10, 34.03 and 38.14;

(20) Stable emulsions containing water (emulsions) in a proportion of not less than 90%, classified in item 34.03.196000;

(21) Preparations based on methyl tertiary-butyl ether (MTBE), classified in item 38.11.190000, in which the amount of fuel substitutes in them does not exceed 4%;

(22) Lubricating pastes, classified in items 27.10.197100 and 34.03.195000;

(23) Processed additives for cement, plaster or concrete Classified in item 38.24.400000;

(b) A factory that holds a fuel producer license in accordance with the Fuel Excise Law, 5718-1958, using fuel that can be classified in the details specified in paragraph (a) as a feedstock for the purpose of producing fuel classified in one of the items 27.10.122900, 29.02.309000, 29.02.449000 or 38.14.002900, provided that the factory pays the excise duty applicable to the fuel produced by it.

"m³" – Cubic meter;

"m²" – Square meter;

"Used" – For imported goods: goods that were substantially used before import;

"Sold" – Sale of locally produced goods, unless context suggests otherwise;

"cl" – Centiliter;

"cm³" – Cubic centimeter;

"cm²" – Square centimeter;

"Value" – As defined in Sections 129–134a of the Customs Ordinance;

"kg" – Kilogram;

"Released" – Released from customs supervision;

"Additional Rate" – A surcharge set under Section 4B of the law, listed in Column E of the First Schedule;

"Unspecified Items" – Items not listed in the First Schedule and not included elsewhere in it;

"NIS" – New Israeli Shekel;

"Industry" or "Industrial Plant" – Excluding cold storage or refrigerated warehouse.

(2) Essence of the First and Second Appendixes

A) In the First Annex

(1) That is mentioned in Columns A, B and C replaces the ordinance Annex;

(2) In customs Headings, specified in chapters 1 to 24 whose customs rate is set in accordance to the the agreements detailed in articles 18 to 23, in column B, following the description of goods, letters which indicate the agreement country will be stated as follows:

Turkey	TUR
Jordan	JOR
Mexico	MEX
Canada	CAN
EFTA countries	EFTA
Mercosur	MERC

(3) The goods whose details and descriptions are listed in Columns A and B are goods to which purchase tax applies, if in Column D of the row, the rate of purchase tax is indicated.

(4) If the additional rate is indicated in Column E, the purchase tax noted in Paragraph (3) will be calculated accordingly .

(5) The statistical unit and the adjacent digit to the slash of the heading numbers, subheadings and paragraph are not part of the addition.

(b) In the Second Annex there is a detailed list of the goods on which purchase tax is levied, and the provisions of the First Annex to purchase tax shall not apply to them. Classification of goods in the First Annex.

(3) Classification of goods in the First Appendix

Classification of goods according to the First Addition shall be governed by the following provisions and in accordance with the Convention regarding the Harmonized System for the description and Coding of the goods (K.A. 1010);

1) The titles of the Parts, Chapters and Subchapters are set out for ease of study only; for the purposes of any Law, the classification shall be determined according to the terms in the headings and the notes of the Part or the Chapter, and under that condition that those headings or notes do not state otherwise, and according to the following provisions.

(2) Any reference:

(a) to an item in a heading of the First Addition shall be considered as including the reference of the same item when it is incomplete or unfinished, under the condition that when it is on display, the incomplete or unfinished item has the principal characteristics of the complete or finished item; the reference shall also be considered as a reference to a complete or finished item (or classified as complete or finished by virtue of this Provision), when it is displayed unassembled or disassembled.

(b) Any reference in any heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances; Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance; The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.

(3) When, by application of rule 2(b) or for any other reason, goods are prima facie, classified under two or more headings, classification shall be effected as follows:

(a) The heading which provides the most specific description shall be preferred to headings providing a more general description; However, when two or more headings each refer only to part of the materials or substances contained in mixed or composite goods or to only part of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

(b) Mixtures, composite goods consisting of different materials or made up of different components, and goods "put up in sets" for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.

(c) When goods cannot be classified by reference to 3(a) or 3(b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

(4) Goods which cannot be classified according to paragraph (3) shall be classified under the heading appropriate to the goods to which they are most akin.

(5) In addition to that said in paragraphs (1) to (4), the following rules shall apply in respect of the goods referred to therein:

(a) A box appropriate for prolonged use, for cameras, musical instruments, firearms, drafting tools, jewelry including similar containers, which was specially designed or adapted to contain the specific item, or a specific set of items, and is displayed together with the items meant for it, shall be classified with these items if it is of the type usually sold with them. However, this provision shall not apply to the containers of the items when the container gives both of them their principal character.

(b) Subject to the Provisions of sub paragraph (a), packaging materials and packaging containers displayed with the goods within them shall be classified according to the goods, if they are of the type usually serving for the packaging of these goods; however, this Provision is not binding when the packaging materials or packaging containers are clearly suitable for reuse.

(6) For the purposes of any law, classification of goods under the subheadings of some heading shall be determined according to the terms of these subheadings, according to the rules referring to each subheading, according to the rules referring to the section and the chapter that this subheading is part of, unless otherwise is required by context, and in accordance with these provisions, mutatis mutandis; only subheadings having the same classification level may be compared.

(4) Additional Note (Israeli)

Notwithstanding the provisions of section 3, goods which may be classified in both the heading located in Chapters 1 to 97 of the First addition and in Heading located in Chapters 98 to 99 of the said addition shall be classified in Chapters 98 and 99 of the said addition, Except in cases where the customs rate and the tax rate that will apply if the goods are classified in Chapters 1 to 97 of the said addition are lower than the rates that will apply if the goods are classified in Chapters 98 and 99 of the said addition.

(5) Subdivisions of a Heading in the First Appendix

(a) An item in the First Annex is divided into sub-items and sections.

(b) A sub-item is indicated by one of the following:

1. A number whose last five digits are zeros, with a single dash between the sub-item number and its content, as follows: -
2. A number whose last four digits are zeros, with two dashes between the sub-item number and its content, as follows: --

(c) A section is indicated by one of the following:

3. A number whose last three digits are zeros, with three dashes between the section number and its content, as follows: ---
 - 1a. A number ending with two digits that are not zero, with four dashes between the section number and its content, as follows: ----
 - 1b. A number whose last digit is zero, with five dashes between the section number and its content, as follows: -----
4. A number ending with a digit that is not zero, with six dashes between the section number and its content, as follows: -----

(6) Conditional Heading

- a) Goods shall not be classified according to a heading next to which the word "(conditional)" is noted to exclude goods of local manufacture, unless, before their clearance, a special entry was submitted that was set out for this purpose under 239 of the Custom Ordinance, or for the purposes of certain types of goods, or certain headings - another form, which Section was instructed by the and under the conditions ordered by him.
- b) Notwithstanding that is stated in Paragraph (A) goods shall be classified according to a heading next to which the word "(conditional)" is noted even if an entry or another form was not submitted before their clearance, if a request for the correction of the entry was submitted within the period of three months from the day the goods were cleared, and proof has been given that all conditions of that heading have been fulfilled; and the conditions are still fulfilled; in special cases, the Director General of Customs may extend this period up to six months from the day of the clearance.
- c) If one of the Provisions concerning the conditional heading deals with specific use of the goods, the use of the goods, unless stated differently in that heading, shall commence within one year of the date of their redemption, unless the Director General of Customs has extended this period; until the commencement of the said use, no other use shall be made of the goods.
- d) The Director General of Customs is entitled to demand guarantees, as he sees fit, that any B.1. The tax rate of heading 22.07 and 22.08 will be adjusted on January 1 of every year according to the change applied to the new index compared with the basic index. of the Provisions of the conditional heading provisions was or will be met, and also that the use will be made as stated in sub paragraph (B); similarly, the Director General of Customs is entitled to demand certificates, documents, reports and the keeping of records, to his satisfaction, for the purpose of control of the implementation of the provisions of the conditional heading, or the identification of the goods, before their use or during their use.
- e)) If no one of the provisions of this Section has been met, or some another person did not fulfill the Director's requirements as stated, or one of the provisions of the conditional heading has not been met, the goods shall be classified according to the heading which is not a conditional heading, and the Customs tax or tax shall be paid according to that heading, unless it is explicitly stated otherwise in the conditional heading.
- f) For the purposes of this Section, if goods were classified according to a conditional heading, due to a certain use or designation, the conditionality of the heading shall apply only if the said use or designation is fulfilled. Wholesale Price on Local Production
- g) A motor vehicle whose classification is according to a conditional heading and the vehicle or the use of the vehicle were passed on to someone else, despite the provisions of the conditional heading, the provisions of article (E) shall apply to it, and provided that the customs and the tax paid on the day of the clearance of the vehicle from customs control will be reduced .from the mentioned customs fees or tax. Local manufacturing wholesale price
- h) In the case of goods classified in a customs heading which next to the word "(conditional)", the list next to this customs heading must also indicate the customs heading in which the best ones would have been classified if they had not complied with the conditions of the exemption.

06a) Recycling and disposal of fuel products with conditional exemption

In Chapters 27, 29, 34, and 38, the use of an **exempt plant for fuel substitution purposes** , includes:

- **Recycling** of goods in a facility holding a **hazardous materials permit** that includes activity involving recycling (hazardous waste) or treatment of hazardous waste, in accordance with Section 3 of the **Hazardous Materials Law, 1993** (hereinafter in this section: the Hazardous Materials Law);
- **Disposal** of said goods in a facility holding:
 - A hazardous materials permit that includes hazardous waste treatment,
 - And an **air emission permit** authorizing **incineration** of organic solvent waste under the **Clean Air Law, 2008** ,

Provided that prior approval has been received from the director for such actions.

07) Local manufacturing wholesale price

The Determination of the wholesale price concerning goods of local manufacture will be carried out according the provisions of articles 4, 4a,4c, 4d and 4e of the law and regulation 8 of the Purchase Tax Regulations (goods), 1953.

08) The wholesale price of cigarettes

The wholesale price of the goods listed below shall be determined according to Sections 4, 4A, and 4B(a1) of the Law, and Regulation 8G of the Purchase Tax Regulations (Goods), 1953:

1. **Cigarettes** classified under items 24.02.200000 and 24.02.902000;
2. **Tobacco units** classified under item 24.04.111100;
3. **Tobacco units sold in a retail kit** including a heating device classified under item 85.43.403100;
4. **Tobacco** classified under items 24.04.111900 and 24.03.191000, and the tobacco component of goods imported under item 85.43.403200;
5. **Liquid for electronic cigarettes and similar personal vaporizing devices** classified under items 24.04.121000 and 24.04.191000;
6. **Electronic cigarettes and similar personal vaporizing devices** classified under items 24.04.122000, 24.04.192000, and 85.43.401000.

09) Goods excluded from the Appendix to the Act

Goods of headings detailed in Column "A", as listed below, and subject to the duties as determined in Column "D" of the First Annex, these duties shall be levied even if they are listed in one or more of the Sections of the additions of the Law, as indicated next to them in Column "B":

Column B Section of the Addition	Column A The Goods
2	1) Goods classified in headings: 33.03, 33.04, 33.05, 33.06, 33.07, 34.01 or 34.02 of the first addition
11	(2) Parts or accessories for motor operated vehicles

10) Determination of Manufacturing Operation

An enhancement operation detailed in Column B below, performed on taxable goods listed in Column A, shall be considered a manufacturing operation. Goods that have undergone such a manufacturing operation shall be subject to the tax rate specified for them in Column D of the First Annex:

Column A – Goods	Column B – Enhancement Operation
-------------------------	---

(1) Glass goods	Cutting, polishing, decoration, drilling, bending, tempering, or hardening
(2) Ethyl alcohol or neutral alcohol; alcoholic beverages, including wine; fruit in alcoholic beverages; beer	Filling or packaging
(2a) Tobacco and tobacco substitutes	Filling or packaging
(2b) Liquid for electronic cigarettes and single-use personal vaporizing devices	Filling or packaging
(3) Telephone	Installation of push-button dial; installation of parts and accessories in the body of the telephone to add or improve functions such as memory, auto-dial, redial, call counter
(4) Parts system	Assembly and completion
(5) Goods comprising a system for operating devices	Installation
(6) Batteries under item 0601 of the Second Schedule	Renewal

11) Customs or Tax Rate

A) The Customs or Tax rate set in the first addition in percentage shall mean a percent of the value of the goods; The Customs or tax rate set at a fixed price shall mean the amount in NIS per a measurement unit as detailed in Column C and D as per the matter.

B) The fixed tax rates set in the First addition will increase whenever the representative rate of exchange increases by over 20% compared to the last published representative exchange rate before the day of the last increase; this provision shall not be applied to goods classified in the headings detailed in paragraph 12; The General Director will publish an announcement in the Official Publications regarding the increased rate and the day of its commencement.

C) The fixed Customs rates set in Headings:

04.06, 04.09, 07.01, 07.02, 07.03, 07.04,
07.05, 07.06, 07.07, 07.08, 07.09, 07.10,
07.11, 07.12, 07.13, 07.14, 08.02, 08.03,
08.04, 08.05, 08.06, 08.07, 08.08, 08.09,
08.10, 08.11, 08.12, 08.13, (excluding 08.13.2090 and-08.13.5000)
12.02, 12.06, 12.07, 15.09, 15.10, 15.17, 16.04, 20.01, 20.02, 20.04,
20.05, 20.07, 20.08, 20.09, 21.03, 21.06 (excluding 21.06.9070),

22.04, 22.05, that will be updated on January 1 of every year (hereinafter "Date of Change") according to the change in the Index of December previous to the day of change comparing to the index published on December of the previous year deducting efficiency factor of 1.5% of the stated rate; The Director General will publish an announcement in the Official Publications regarding the updated amounts.

D) When a fixed sum of a Customs rate or Tax rate is determined regarding a certain amount of goods, the same Customs and Tax rate shall apply proportionally to a portion of these goods as well.

E) When a fixed sum of a Customs rate is determined according to the weight of the goods, the weight will be calculated according to the overall weight of the imported goods including liquid or solution, excluding the package.

12) Adjustment of Tax Rates

(a) Definitions for this section:

- **"Change Day"** – The date on which the tax amount is adjusted;
- **"New Index"** – The most recently published Consumer Price Index prior to the Change Date;
- **"Base Index"** – The most recently published Index before the previous Change Date.

(b) The tax amounts under items 22.03.009000, 24.01, 24.02, 24.03, 24.04, and 85.43 shall be adjusted on **January 1** of each year, based on the percentage change between the New Index and the Base Index.

(c) The tax amounts under items 22.07 and 22.08 shall be adjusted on **January 1** of each year, based on the percentage change between the New Index and the Base Index.

(d) The tax amounts under **Chapter 27** and items **29.01, 29.02, 29.22, 34.03.199000, 38.14.002900, 38.25.490000, and 38.26** shall be adjusted on **January 1, May 1, and September 1** of each year, based on the percentage change between the New Index and the Base Index.

(e) The Director shall publish in the official records (Reshumot) a notice detailing the adjusted tax amounts according to this section.

13) Adjustment of Reduction Rates

(a) In this section, the "change day", the "new index," and the "base index" – as defined in section 12(a).

(b) The amounts of reductions and additions in column C of the table in Clause 6 of the Additional (Israeli) Regulations for Chapter 87 will be adjusted on January 1st of each year, according to the change in the new index compared to the base index.

(c) The director will publish a notice in the official records regarding the adjusted reduction amounts according to this section.

14) Trade Agreements

15) Agricultural quotas

(A) Goods that are classified in customs headings detailed in column A of the list in the third addition, and were mentioned in this order, following the description of the goods, in column B, the letters W.T.O appear, the General customs rates will apply on these goods, excluding the maximum annual amount set next to these goods in column B of the list for which the customs rate mentioned next to it in column C will apply.

(B) Notwithstanding the provisions of subsection (a), on 1 January of each of the years 2013 to 2018 onwards, the maximum annual quantity fixed in column B shall be in the list as stated in subsection (a), in details 04.01.4000, 04.01.5000, 04.03, 04.05.1099, 04.05.2000, 04.05.9000, 04.06.1090, 04.06.2000, 04.06.3000, 04.06.4000, 04.06.9020 and 04.06.9090 The quantity stated in the column relating to that year alongside these customs details.

16) Reduction of customs duties regarding the Free Trade Agreement with The United States

Goods which the Free Trade Agreement with the United States applies to them and the conditions stated in article 14 are met, shall be exempt from customs duties.

17) Reduction of customs duties regarding the Free Trade Agreement with The European Union

Goods on which the trade agreement with the European Union countries and the joining countries applies and the conditions stated in article 14 are met shall be exempt from customs duties, except for goods classified in chapters 1 to 24 and in headings 35.02.1000, 35.05.1021 and 35.05.2000 of the first addition, in which it was mentioned in column B, after the EU1 will be considered as stated below: description of goods the letters EU or

(1) Goods that are classified in customs headings in which it was mentioned in column B, following the description of goods, the letters EU, the general customs rate will apply on them;

(2) Goods that are classified in customs headings in which it was mentioned in column B, following the description of goods, the letters EU1, will be subject to the customs rate in accordance to what is detailed in the list in the fourth addition (henceforth: the list) will be considered as stated below:

(a) Goods that are classified in customs headings detailed in column A in the list, next to them in column B the reduction rate is stated - the general customs rate will apply on them deducting the reduction rate stated in column B, excluding the maximum annual amount set in column E of the list, for which it will be deducted from the general customs rate stated in column D on the list;

(b) Goods that are classified in customs headings detailed in column A in the list, next to them in column C the reduction rate is stated - the customs rate stated in column C will apply on them, excluding the maximum annual amount set in column E on the list, for which the rate mentioned in column D on the list will be reduced from the general customs rate;

(c) Goods that are classified in customs headings detailed in column A in the list, that are not as detailed in subparagraphs (A) and (B), will be subject to the general customs rate, excluding the maximum annual amount set in column E of the list for which the rate stated in column D on the list will be deducted from the general customs rate;

In this regard, the "general customs rate" - The customs rate specified aside to the customs headings in column C in the first addition.

18) Reduction of customs duties regarding EFTA

(a) Goods subject to a trade agreement with EFTA countries and meeting the conditions listed in Section 14 shall be exempt from customs duties, except for goods classified under Chapters 1 to 24 and items 35.02.1000, 35.05.1020, 35.05.2000 in the First Annex, except for the goods listed in List A in the Fifth Annex, for which the exemption will apply.

(b) Notwithstanding the provisions of subsection (a), goods listed in Column A of List B in the Fifth Annex will be subject to the customs duty rate specified next to them in Column B or the customs duty rate specified next to them in Column C regarding the maximum quantity per year specified in Column D. Regarding tariff item 02.10.200000, the exemption from customs duties, as stated in Column C, will apply if the goods are imported within the quota specified in Column D. If they are not imported within the said quota, the customs duty rate specified in Column B will apply. The customs duty rate for goods listed in List B in the Fifth Annex, as stated in subsection (a), will never exceed the rate specified in Column C for those tariff items in the First Annex.

19) Reduction of Customs Duties Regarding the Free Trade Agreement with the Government of Canada

(A) Goods on which the Free Trade Agreement with the Government of Canada applies to them and the conditions stated in article 14 are met, shall be exempt from Customs Duties, except for goods Listed in List A of the Sixth Annex, to which the General Customs Rate shall apply, and excluding goods listed in List B of the Sixth annex, for which the Customs Rate shall apply as specified next to them in Column B regarding the maximum amount per year specified next to them As noted in column C, And in the case of a quantity that is not within the scope of the quota, a reduction will apply from the rate of customs duty as specified in column D, insofar as a reduction appears in the same heading.

(B) The Customs rate for goods listed in the Sixth Annex as stated in sub-article (a) will not exceed in no circumstance the rate stated in Column C, of the "General" Column of those Customs headings of the First Annex.

20) Reduction of Customs Duties Regarding the Free Trade Agreement with The Hashemite Kingdom of Jordan

Goods on which the Free Trade Agreement with Jordan applies to them and the conditions stated in article 14 are met, and are classified in the customs headings detailed in the lists of the Seventh Addition will be considered as below:

(1) Goods that are classified in list A, in the Seventh Addition, For them the customs rate specified in column C will be reduced, In the General column of the first addition, in percentages as detailed below:

Reduction Rate	List name
100%	A
50%	B

(2) In list D in the seventh addition Mentioned in column B, Along with the customs heading in column A, The maximum quantities that can be classified for one year duty-free according to the same headings;

21) Reduction of Customs Duties Regarding the Free Trade Agreement with the Republic of Turkey

(a) Goods on which the Free Trade Agreement with the Republic of Turkey applies to them and the conditions stated in article 14 are met, shall be exempt from Customs Duties, except for goods classified in chapters 1 to 24 and in headings 35.01, 35.02, and 35.05 of the First Addition, except those of List D of the Eight Addition for which the Customs rate as specified next to them in Column B regarding the maximum annual quantity shall apply, as specified next to them in Column C.

(B) The Customs rate for goods listed in the Eight Addition as stated in sub-article (A), will not exceed in no circumstance the rate stated in Column C of the "general" Column of those Customs headings of the First Addition.

22) Reduction of Customs Duties Regarding the Commerce with Mexico

(a) Goods on which the Free Trade Agreement with Mexico applies to them and the conditions stated in article 14 are met, shall be exempt from Customs Duties, except for goods classified in chapters 1 to 24 and in headings 35.02 and 35.05 of the First Addition, except for goods of List A of the Ninth Addition, for which the Customs rate specified next to them in Column B regarding the maximum annual quantity shall apply, as specified next to them in Column C.

(B) The Customs rate of goods specified in list A of the Ninth Addition as stated in sub-article (A), will not exceed in no circumstance the rate stated in Column C, in the "General" Column of these Customs headings of the First Addition.

(C) Notwithstanding that stated in sub-article (A) and in accordance with Article 3-03 of the Trade Agreement with Mexico, goods specified in the following list will be exempt from custom duties and only that a special export certificate of the Mexican Ministry of Trade and Industrial Development (SECOFI) will be presented.

headings:

50.04 to 50.07

51.06 to 51.13

52.04 to 52.12

53.06 to 53.11

54.01 to 54.08

55.08 to 55.16

56.04 to 56.07

58.01 to 58.03

58.06, 58.09, 59.03, 59.06, 59.07

Chapters: 61 to 63

heading: 96.19.0900

23) Reduction of Customs Duties Regarding the Mercosur Countries

(a) The Free Trade agreement with the Mercosur Countries shall apply regarding each country on the date specified in the table below:

Column A		Column B
Country name		Date of coming into force
(1)	Uruguay	June 1st 2010
(2)	Argentina	September 9, 2011
(3)	Brazil	June 1st 2010
(4)	Paraguay	June 1st 2010

(B) Goods on which the Free Trade Agreement with Mercosur Countries applies to them, as stated in sub-article (A), and the conditions stated in article 14 are met, shall be exempt from Customs Duties, except for goods classified in chapters 1 to 24 of the First Addition, excluding-

(1) Goods classified in customs headings detailed in list A of the Tenth Addition, that will be exempt from customs duties;

(2) Goods classified in customs headings detailed in list B of the Tenth Addition, for which the customs rate specified next to them in Column C, regarding the maximum annual quantity, specified next to them in Column B, subject to the comments of Column D; if the maximum quantity was not specified in Column B, the quantity will not be restricted but to goods for which it was stated differently next to them in Column D.

(C) Notwithstanding that is stated in sub-article (B), regarding goods classified in customs headings detailed in lists C and D of the Tenth Addition, the general customs rate stated in Column C of the First Addition next to those customs headings will be gradually reduced, in percentages as stated below:

list name	2012	2013	2014	2015	2016	2017
D	37.5%	50%	62.5%	75%	87.5%	100%

(c1) Notwithstanding the provisions of subsections (b) and (c), regarding goods from Argentina that is classified in the customs headings listed in List D of the Tenth Schedule, the general rate of customs duty specified in column C of the First Schedule alongside those customs headings shall be gradually reduced, As described below :

List name	2012	2013	2014	2015	2016	2017	2018
D	25%	37.5%	50%	62.5%	75%	87.5%	100%

(D) Notwithstanding that is stated in sub-article (B), regarding goods classified in customs headings detailed in list E of the Tenth Addition, the general customs rate stated next to those customs headings in Column C of the First Addition shall apply.

(E) The customs rate regarding goods detailed in list B as mentioned in sub-article (B) (2), will not exceed in no circumstance the rate stated in Column C of those customs headings of the First Addition.

23(a) Customs reduction for the trade agreement with Panama

In the case of goods to which the trade agreement with Panama applies and the conditions stated in section 14 are met and which are classified in the customs headings specified in the lists in the Fourteenth Schedule, shall act as specified below:

(1) Goods classified in the customs headings listed in list A of the Fourteenth Schedule shall be exempt from customs duties;

(2) Goods classified in the customs headings listed in List B in the Fourteenth Schedule shall be subject to a reduction from the general customs rate as specified in column B of the said list, or to which the rate of customs reduction as specified in column D shall apply in that list;

(3) Goods classified in the customs headings listed in lists C to E in the Fourteenth Schedule shall be subject to a reduction in the general customs rate, in percentages as specified below:

List name	Year						
	2020	2021	2022	2023	2024	2025	2026
C	33.3%	66.6%	100%	-	-	-	-
D	20%	40%	60%	80%	100%	-	-

E	14.3%	28.6%	42.9%	57.2%	71.5%	85.8%	100%
---	-------	-------	-------	-------	-------	-------	------

(4) Reduced after Wednesday, January 1, 2020 The general customs rate in the customs headings listed in column A of list B, the reduced customs rate will serve as the basis from which the customs rate as stated in columns B to E will be reduced to the same list;

For the purposes of paragraphs (2) to (4), "the general customs rate" - the customs rate specified alongside the customs details in column C of the First addition.

23(b) Customs reduction for trade agreement with Colombia

With regard to goods to which the trade agreement with Colombia applies and in which the conditions stated in Article 14 are met and which are classified in the customs details specified in the lists in the Fifteenth Annex, the following procedure shall apply:

1. Goods classified under the custom items listed in List A of Annex Fifteen shall be exempt from customs duties;
2. Goods classified under the custom items listed in List B of Annex Fifteen shall be subject to a reduction from the general customs rate as specified in Column B of that list, or shall be exempt from customs duties for the maximum annual quantity specified in Column D of that list;
3. Goods classified under the custom items listed in Lists C through D of Annex Fifteen shall be subject to a reduction from the general customs rate by the percentages specified below:

List	Year				
	2020	2021	2022	2023	2024
C	33.3%	66.6%	100%	-	-
D	20%	40%	60%	80%	100%

1. If the general customs rate was reduced after the 21st of Av, 5780 (August 11, 2020), for the custom items listed in Column A of List B, the reduced custom rate shall serve as the base rate from which further reductions shall be applied as per Columns B through D of that list;

For sections (2) through (4), "general customs rate" means the customs rate indicated alongside the custom items in Column C of the First Annex.

23(c) Customs reduction for the trade agreement with Ukraine

In the case of goods to which the trade agreement with Ukraine applies and the conditions set out in section 14 are met, a duty exemption shall apply, except in respect of goods classified in the customs headings specified in the lists in the Sixteenth addition, in respect of which the following shall apply:

(1) Goods classified in the customs headings listed in List A of the Sixteenth addition shall be liable to the general customs rate;

(2) The following provisions shall apply to goods classified in the customs headings listed in List B in the Sixteenth addition:

- (a) Goods specified next to a quota in column D and imported under the quota - are exempt from customs;
 - (b) Goods that are not imported under a quota as stated in column D - reduced customs rates shall apply to them as specified in lists B to N, and if no such reduced tariff rate is determined for them - the general customs rate shall apply to them;
- (3) Goods classified in the customs headings listed in lists C, D, E, F, G, H and I in the Sixteenth addition, shall be subject to a reduction in the general customs rate, in percentages as specified below:

List name	Year						
	2021	2022	2023	2024	2025	2026	2027 ואילך
C	33.33%	66.67%	100%	-	-	-	-
D	20%	40%	60%	80%	100%	-	-

E	14.29%	28.57%	42.86%	57.14%	71.43%	85.71%	100%
F	16.67%	33.33%	50%	50%	50%	50%	50%
G	10%	20%	30%	40%	50%	50%	50%
H	2%	4%	6%	8%	10%	10%	10%
I	4%	8%	12%	16%	20%	20%	20%

(4) the general customs rate applicable to the customs headings listed in List J in the Sixteenth addition shall not exceed the general customs rate applicable to them on the 1 January 2021;

(5) Reduced after the 1 January 2021 The general customs rate in the customs headings listed in column A of list B in the Sixteenth Schedule, the reduced customs rate shall serve as the basis from which the customs rate as stated in columns B-C will be reduced. ;

(6) Reduced after the January 1, 2021 The general customs rate in the customs details specified in lists C to I of the Sixteenth addition, the reduced customs rate shall serve as a basis from which the customs rate as stated in paragraph (3) shall be reduced;

(B) For the purposes of this section, "general customs rate" - the customs rate specified alongside the customs headings in column C of the First addition.

23(d) Customs reduction for trade agreement with the United Kingdom

23(d) Customs Reduction Regarding the Free Trade Agreement with the United Kingdom

Goods subject to the Free Trade Agreement with the United Kingdom that meet the conditions specified in Section 14 and are classified under the tariff items listed in Annex Seventeen, shall be treated as follows:

1. Goods classified under the tariff items in List A of Annex Seventeen and goods classified under Chapters 25 to 97 of the First Annex, excluding goods classified under items 35.02.100000, 35.05.102100, and 35.05.200000 of the First Annex, shall be exempt from customs duties;
2. Goods classified under the tariff items listed in List B of Annex Seventeen shall be subject to a reduction from the general customs rate as detailed in Columns B and C of that list, and shall be subject to the reduced customs rate listed in Column D for the maximum annual quantity specified in Column E of the same list;

23(e) Customs Reduction for the Free Trade Agreement with the Republic of Korea

Goods subject to the Free Trade Agreement with the Republic of Korea that meet the conditions specified in Section 14 shall be exempt from customs duties, except for the goods listed in Annex Eighteen, which shall be treated as follows:

- Goods classified under the tariff items in List A of Annex Eighteen shall be subject to the general customs rate;
- Goods classified under the tariff items in List B shall be subject to a reduction from the general customs rate as specified in Column B of that list or a reduction for the maximum annual quantity as specified in Column D;
- Goods in Lists C to H of Annex Eighteen shall be subject to reduced customs rates, as specified below:

Year	List C	List D	List E	List F	List G	List H
2022 (from Dec 1)	33.33%	20%	14.29%	10.00%	8.33%	6.67%
2023	66.67%	40%	28.57%	20.00%	16.67%	13.33%
2024	100%	60%	42.86%	30.00%	25.00%	20.00%
2025	100%	80%	57.14%	40.00%	33.33%	26.67%
2026	100%	100%	71.43%	50.00%	41.67%	33.33%
2027	100%	100%	85.71%	60.00%	50.00%	40.00%
2028	100%	100%	100.00%	70.00%	58.33%	46.67%
2029	100%	100%	100%	80.00%	66.67%	53.33%
2030	100%	100%	100%	90.00%	75.00%	60.00%
2031	100%	100%	100%	100%	83.33%	66.67%
2032	100%	100%	100%	100%	91.67%	73.33%

2033	100%	100%	100%	100%	100%	80.00%
2034	100%	100%	100%	100%	100%	86.67%
2035	100%	100%	100%	100%	100%	93.33%
From 2036 onward	100%	100%	100%	100%	100%	100%

23(g) Customs Reduction Regarding the Free Trade Agreement with United Arab Emirates

Goods subject to the Free Trade Agreement with the United Arab Emirates that meet the conditions in Section 14 shall be exempt from customs, except for goods listed in Annex Nineteen:

1. Goods in List A shall be subject to the general customs rate;
2. Goods in List B shall be subject to a reduced customs rate as per Column B, or be exempt for the maximum annual quantity specified in Column C, or both;
3. Goods in Lists C and D shall be subject to a reduction from the general customs rate by the percentages specified:

Year	List C	List D
2023	33.33%	20%
2024	66.67%	40%
2025	100%	60%
2026	100%	80%
2027+	100%	100%

For sections (1) to (3), "general customs rate" means the rate indicated in Column C of the First Annex.

23(g) Customs Reduction Regarding the Free Trade Agreement with Guatemala

Goods subject to the Free Trade Agreement between the Government of Israel and the Government of Guatemala that meet the conditions in Section 14 shall be exempt from customs, except for goods listed in Annex Twenty:

- Goods in Chapters 1 to 24 shall be subject to the general customs rate; however, goods in List A shall be exempt;
- Goods in List B shall be subject to a reduced rate or be exempt for a maximum annual quantity as detailed in Columns B and C;

Year	List C	List D
2023	33.33%	20%
2024	66.67%	40%
2025	100%	60%
2026	100%	80%
From 2027 onward	100%	100%

"General customs rate" refers to the rate indicated in Column C of the First Annex.

23(h) Customs Reduction Regarding the Free Trade Agreement with Vietnam

Goods subject to the Free Trade Agreement between the Government of Israel and the Socialist Republic of Vietnam that meet the conditions in Section 14 shall be exempt from customs, except for those listed in Annex Twenty-One:

1. Goods in List A shall be subject to the general customs rate;

2. Goods in List B shall be subject to a reduced rate as per Column B, a specific rate as per Column C, or exemption for the maximum annual quantity in Column D;
3. Goods in Lists C to H shall be subject to the following percentage reductions:

Year	List C	List D	List E	List F	List G	List H
2024 (from the order's effective date)	33.33%	20%	14.29%	10%	5%	1%
2025	66.67%	40%	28.57%	20%	10%	2%
2026	100%	60%	42.86%	30%	15%	3%
2027	100%	80%	57.14%	40%	20%	4%
2028	100%	100%	71.43%	50%	25%	5%
2029	100%	100%	85.71%	60%	25%	5%
2030	100%	100%	100%	70%	25%	5%
2031	100%	100%	100%	80%	25%	5%
2032	100%	100%	100%	90%	25%	5%
From 2033 onward	100%	100%	100%	100%	25%	5%

For paragraphs (1) to (3), "general customs rate" means the rate in Column C of the First Annex.

25) cancellation

(A) The Customs Tariff and Exemptions Tariff Order on Goods, 2012 (10) (hereinafter - the previous tariff), except as specified in subsections (b) and (c) - is revoked.

(B) Amendment No. 5 to the year htssshaz (11) requires approval under section 2 (a) of the Customs and blo Tax Law (change of tariff), hatashat -1949.

(C) The amendment orders of the previous tariff listed below, in whole or in part, insofar as they were in force on the eve of the commencement of this order, shall be deemed to be amendments to this order from the date of its commencement:

(1) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 14), hatssshab 2012 (13)

Customs Tariff and Exemption Tariff Order on Goods (Amendment No. 34 and Temporary Order), hatashab 2012 (2)(13);

(3) Customs Tariff and Exemption Tariff Order on Goods (Amendment No. 16 and Temporary Order), hasshag 2013 (15)

(4) the Customs Tariff and Exemption Tariff Order on Goods (Provision Hour No. 5), hatashad 2014 (16)

(4a) Customs Tariff and Exemption Tariff Order on Goods (Amendment No. 3 and Temporary Order), hatashad 2014 (16)

(5) the Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 5), hatashad 2014 (17)

5 a) The Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 6), hatashad 2014 (18);

(6) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 11), hatasha 2015 (19);

(7) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 12), hatasha 2015 (20);

(7a) The Customs Tariff and Exemption Tariff Order on Goods (Amendment No. 16 and Temporary Provision No. 13), hatasha 2015 (21);

(8) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 8), hhasshav- 2016 (22);

(9) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 18), hhasshav- 2016 (23);

(10) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 19), hhasshav- 2016 (24);

(10a) Customs Tariff and Exemption Tariff Order on Goods (Amendment No. 25 and Temporary Order) (Amendment), hhasshav- 2016 (25);

(11) Customs Tariff and Exemption Tariff Order on Goods (Temporary Provision No. 19), hhasshav- 2016 (26);

(12) Order of the Customs Tariff and Exemptions and Purchase Tax on Goods (Amendment No. 3), hatashaz 2016 (27);

(13) Customs Tariff and Exemption Tariff Order on Goods (Temporary Order), hatashaz 2016 (27);

(14) Customs Tariff and Exemption Tariff Order on Goods (Amendment No. 5 and Temporary Provision No. 2), hatashaz 2016 (27);

(10) KT - makah, , p. 77.

(11) KT - makah, , p. 13.

(12) KT - makah, , p. 1044.

- (13) KT - makah, , p. 1162.
- (14) KT - makah, , p. 106.
- (15) KT - makah, , p. 138.
- (16) KT - makah, , p. 32.
- (17) KT - makah, , p. 138
- (18) KT - makah, 5754, p. 138.
- (19) KT - makah, , p. 90.
- (20) KT - makah, , p. 96.
- (21) KT - makah, , p. 102.
- (22) KT - makah, , p. 112.
- (23) KT - makah, , p. 156.
- (24) KT - makah, , p. 157.
- (25) KT - makah, , p. 190.
- (26) KT - makah, , p. 210.
- (27) KT - makah, , p. 4.
- (28) KT - makah, , p. 6.
- (29) KT - makah, , p. 13.