

ANNEX 3-F
EXEMPTION FROM THE PRINCIPLE OF TERRITORIALITY

1. The acquisition of originating status in accordance with the conditions set out in Articles 3.2 through 3.11 shall not be affected by working or processing done outside Israel or Colombia on materials exported from Israel or from Colombia and subsequently re-imported there, provided that:

- (a) the said materials are wholly obtained in Israel or in Colombia or have undergone working or processing beyond the operations referred to in Article 3.6 (Minor Processing Operations) prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the re-imported goods have been obtained by working or processing the exported materials; and such working or processing have not resulted in a change of the classification at a six digit level of the Harmonized System (HS) of the said re-imported goods; and
 - (ii) the total added value acquired outside the territory of the Parties by applying the provisions of this Annex does not exceed 15% of the ex-works price of the end product for which originating status is claimed.
 - (iii) the products are listed below.

2. For the purposes of applying the provisions of paragraph 3, 'total added value' means all costs arising outside the territory of the Parties, including the value of the materials incorporated there.

3. The total added value acquired outside the territory of the Parties taken together with the percentage of non-originating materials incorporated into the product shall not exceed the allowable percentage for non-originating materials, in accordance with Article 3.5.1(b) or Annex 3-A.

4. The following shall be the list of goods covered by this Annex:

| HS code | HS code | HS code | HS code |
|---------|---------|---------|---------|
| 820890 | 848210 | 852990 | 901849 |
| 830249 | 848390 | 852990 | 901850 |
| 840690 | 848490 | 853080 | 901890 |
| 840910 | 848620 | 853120 | 901920 |
| 841191 | 848690 | 853180 | 902190 |
| 841199 | 850110 | 853321 | 902290 |
| 841370 | 850131 | 853400 | 902300 |
| 841391 | 850239 | 853669 | 902490 |
| 841410 | 850440 | 853710 | 902580 |
| 841490 | 850490 | 853890 | 902610 |
| 841950 | 851220 | 854020 | 902680 |
| 842139 | 851580 | 854129 | 902710 |
| 842199 | 851590 | 854140 | 902730 |
| 843143 | 851711 | 854231 | 902750 |
| 844332 | 851712 | 854239 | 902780 |
| 844391 | 851712 | 854320 | 902790 |
| 846630 | 851718 | 854370 | 903010 |
| 846693 | 851761 | 854390 | 903020 |
| 847130 | 851762 | 900190 | 903033 |
| 847141 | 851769 | 900211 | 903039 |
| 847149 | 851770 | 900219 | 903040 |
| 847150 | 851770 | 900290 | 903082 |
| 847160 | 851840 | 901290 | 903089 |
| 847170 | 852190 | 901320 | 903090 |
| 847180 | 852580 | 901380 | 903149 |
| 847190 | 852691 | 901390 | 903180 |
| 847330 | 852692 | 901420 | 903190 |
| 847989 | 852851 | 901490 | 903281 |
| 847990 | 852859 | 901580 | 903289 |
| 848190 | 852910 | 901819 | 910119 |

CHAPTER 4 CUSTOMS PROCEDURES

ARTICLE 4.1: CUSTOMS COOPERATION

The Parties shall cooperate in order to ensure:

1. The correct implementation and operation of the provisions of this Agreement as they relate to:
 - (a) importations or exportations within the framework of this Agreement;
 - (b) preferential treatment and claims procedures;
 - (c) verification procedures;
 - (d) customs valuation and tariff classification of goods; and
 - (e) restrictions or prohibitions on imports and/or exports;
2. Each Party shall designate official contact points and provide details thereof to the other Party, with a view to facilitating the effective implementation of this Chapter and Chapter 3 (Rules of Origin). If a matter cannot be resolved through the contact points, it shall be referred to the Subcommittee on Customs, Trade Facilitation and Rules of Origin as set out in this Chapter.

ARTICLE 4.2: TRADE FACILITATION

1. The Parties shall apply their respective customs laws and procedures in a transparent, consistent, fair and predictable manner in order to facilitate the free flow of trade under this Agreement.
2. Pursuant to paragraph 1, the Parties shall:
 - (a) simplify their customs procedures to the greatest extent possible;
 - (b) make use of information and communications technology in their customs procedures; and
 - (c) to the extent possible, provide for advance electronic submission and processing of information before the physical arrival of goods to enable the quick release of goods upon their arrival.
3. The Parties shall endeavor to improve trade facilitation by mutual consultations and exchange of information between their respective customs authorities.

ARTICLE 4.3: RELEASE OF GOODS