

CHAPTER 12
ADMINISTRATION OF THE AGREEMENT

ARTICLE 12.1: ESTABLISHMENT AND FUNCTIONS OF THE JOINT COMMITTEE

1. The Parties hereby establish the Joint Committee, composed of representatives of both Parties. The principal representative of each Party shall be the cabinet-level officer or Minister primarily responsible for international trade, or a person designated by the cabinet level officer or Minister.
2. The Joint Committee shall be co-chaired by a representative of the Ministry of Economy and Industry on the Israeli side and by a representative of the Ministry of Commerce and Industries on the Panamanian side, or their successors.
3. The Joint Committee shall:
 - (a) supervise and facilitate the implementation of this Agreement;
 - (b) review the general functioning of this Agreement;
 - (c) examine the further development of this Agreement;
 - (d) supervise the work of all bodies established under this Agreement;
 - (e) establish the amount of remuneration and expenses to be paid to arbitrators under the Dispute Settlement Chapter;
 - (f) without prejudice to Chapter 14 on Dispute Settlement and other provisions of this Agreement, explore the most appropriate ways to prevent or solve any difficulties that may arise in relation to matters covered by this Agreement; and
 - (g) consider any other matters that may affect the operation of this Agreement.
4. The Joint Committee may:
 - (a) agree to the initiation of negotiations, with the aim of deepening the liberalization already achieved in sectors covered by this Agreement;
 - (b) recommend to the Parties to adopt any amendment or modification to the provisions of this Agreement. Any such amendment or modification shall enter into force in accordance with the procedure set forth in Article 17.3 (Entry Into Force);
 - (c) modify by a Joint Committee decision:
 - (i) the Schedule to Annex 2-B (Tariff Elimination for Industrial Goods), 2-C (Preferential Treatment for Fishery Goods) and 2-D (Preferential Treatment for Agricultural

Goods), with the purpose of adding one or more goods excluded in the Schedule of a Party;

- (ii) the phase-out periods established in Annex 2-B (Tariff Elimination for Industrial Goods), 2-C (Preferential Treatment for Fishery Goods) and 2-D (Preferential Treatment for Agricultural Goods), with the purpose of accelerating the tariff reduction;
- (iii) the specific rules of origin established in Annex 3-A (Specific Rules of Origin);
- (iv) the Schedules of specific commitments established in Article 9.13 and the List of MFN Exceptions established in Article 9.3 and in accordance with Article 9.14 (Modification of Schedules) and 9.15 (Review); and
- (v) the Rules of Procedure for Arbitral Tribunal Proceedings established in Annex 14-A and the Code of Conduct established in Annex 14-B.

Each Party shall implement, subject to the completion of its applicable internal legal procedures and upon notification of such, any modification referred to in this subparagraph, within such period as the Parties may agree;

- (d) adopt interpretive decisions concerning this Agreement binding on Arbitral Tribunal established under Article 14.10 (Request for the Establishment of an Arbitral Tribunal) and Tribunals established under Article 8.12 (Settlement of Disputes between a Party and an Investor of the Other Party); and
- (e) take any other action in the exercise of its functions as the Parties may decide.

5. The Parties hereby establish the following Committees:

- (a) Committee on Trade in Goods;
- (b) Committee on Rules of Origin and Customs Procedures and Trade Facilitation; and
- (c) Committee on Investments.

6. The Joint Committee may establish and delegate responsibilities to committees, subcommittees or working groups and it shall determine the rules of procedure of those bodies.

7. The Joint Committee shall establish its rules and procedures. All decisions of the Joint Committee shall be taken by mutual consent.

8. The Joint Committee shall, normally, convene once every two (2) years. In addition, special meetings shall be convened upon request in writing of either Party. Unless otherwise decided by the Parties, sessions of the Joint Committee shall be held alternately in the territory of each Party, or by any technological means available.

ARTICLE 12.2: FREE TRADE AGREEMENT COORDINATORS

1. Each Party shall appoint a free trade agreement coordinator and notify the other Party of the details of such Coordinator within sixty (60) days following the entry into force of this Agreement.

2. The Coordinators shall jointly:

- (a) work to develop agendas;
- (b) make other preparations for the Joint Committee meetings;
- (c) follow-up on the Joint Committee's decisions as appropriate;
- (d) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided for in this Agreement;
- (e) receive any notifications and information submitted under this Agreement, unless otherwise provided for in this Agreement; and
- (f) assist the Joint Committee in any other matters referred to them by the Joint Committee.

3. The coordinators of this Agreement may meet as often as necessary by any technological means available.