

ANNEX 2

Implementation of Duty-Free Treatment for Israeli Imports of Products of the United States of America

Notes:

- A. The product descriptions and the articles provided for in each of the tariff items listed in this annex are the product descriptions and articles provided for in the same numbered item in the Tariff Schedules of Israel (TSI), as published in the Customs Tariff and Exemption Order (Substitution of Schedule), 5744-1984, and as effective January 1, 1985.
- B. Notwithstanding the provisions of paragraphs 2 and 3 below, to simplify the computation of the amount of duty imposed the rates of duty provided for in subparagraphs 2b and 3a, .b, c, d, e, f, and g shall be rounded to the nearest 0.1 percent ad valorem, or if the rate of duty is expressed in monetary units, to the nearest lowest currency value specified in the TSI, in accordance with the following rule:
- The rate of duty shall be rounded up to the nearest 0.1 percent or to the lowest currency value specified in the TSI if the rate of duty provided for in paragraph 2 or 3 has the number 5 or above as the second digit to the right of the decimal point in the case of ad valorem duties, or as the first digit to the right of the lowest currency value specified in the TSI in the case of specific duties; the rate of duty shall be rounded down to the nearest 0.1 percent or to the lowest currency value specified in the TSI if the rate of duty provided for in paragraph 2 or 3 has the number 4 or below as the second digit to the right of the decimal point in the case of ad valorem duties, or as the first digit to the right of the lowest currency value specified in the TSI in the case of specific duties.
- C. As regards tariff headings 3005.1000, 8904.1000, 9905.9900, 9906.9900, for which no duty rates are specified in the TSI, the duty rates and tariff reduction formula under this Annex shall be in accordance with the duty rates and tariff reductions applicable to all articles comprising such tariff headings.

1. Articles not covered by the provisions of paragraphs 2, 3 and 4 below shall be free of duty effective September 1, 1985.

2. Articles provided for in the items included in List A shall be subject to the following tariff treatment:

- a) Effective September 1, 1985, the rate of duty listed opposite the item;
- b) Effective January 1, 1987, a rate of duty which is 40 percent of the listed rate;
- c) Effective January 1, 1989, free of duty.

Provided that prior to January 1, 1989 the rates of duty will not be lower than the rates of duty applied to imports originating in the European Economic Community.

3. Articles provided for in the items included in List B shall be subject to the following tariff treatment:

- a) Effective September 1, 1985, a rate of duty which is 80 percent of the general rate of duty of the TSI on that date;
- b) Effective January 1, 1986, a rate of duty which is 70 percent of the general rate of duty of the TSI on that date;
- c) Effective January 1, 1987, a rate of duty which is 60 percent of the general rate of duty of the TSI on that date;

h) Effective January 1, 1995, free of duty.

Provided that prior to January 1, 1989 the rates of duty will not be lower than the rates of duty applied to imports originating in the European Economic Community.

4. Articles provided for in the items included in List C shall be subject to the general rate of duty of the TSI for the respective item until January 1, 1990. The rates of duty to be applied on and after January 1, 1990, shall be determined after consultations between the Governments of the United States and Israel. Effective January 1, 1995, all such articles shall be free of duty.