

DECLARATION ON TRADE IN SERVICES

PREAMBLE

The Governments of Israel and the United States of America,

RECOGNIZING the significance of trade in services to their economic and social progress and to the world economy;

NOTING the importance of open international markets for trade in services;

ACKNOWLEDGING that the Treaty of Friendship, Commerce and Navigation between their two nations establishes bilateral rights and obligations which provide for open trade in a broad range of services;

RECOGNIZING that other bilateral and multilateral agreements for certain services sectors are in effect between their two nations;

Declare that, although the principles set forth below shall not be legally binding, they shall endeavor to the maximum extent possible to conduct their policies affecting trade in services between them in accordance with those principles;

Express their desire to work toward international acceptance of these principles in trade in services.

PRINCIPLES

1. Definition: Trade in services takes place when a service is exported from the supplier nation and is imported into the other nation.

Services encompass, but are not limited to, transportation; travel and tourism services; communications; banking services¹, insurance; other financial activities; professional services, such as consulting in construction, engineering, accounting, medicine, education, and law, and the providing of other professional services such as management consulting; computer services; motion pictures; advertising.

2. Each Party will endeavor to achieve open market access for trade in services with the other nation, taking into account the different regulatory regimes for specific service sectors in the two nations.

3. Each Party will endeavor to assure that trade in services with the other nation is governed by the principle of national treatment. Each Party will endeavor to provide that

¹ For the purposes of this Declaration, commercial banking services are limited to the activities of representative offices.

a supplier of a service produced within the other nation is able to market or distribute that service under the same conditions as a like service produced within the first nation, including situations where a commercial presence within the nation is necessary to facilitate the export of a service from the other nation or is required by that Party².

4. In situations where services are regulated by political subdivisions, the authorities of each Party responsible for overseeing the operation of this Declaration will consult with such political subdivisions in an effort to assure that such regulations are consistent with the principles of this Declaration.

5. Each Party will endeavor to assure that its regulatory agencies will accord national treatment to suppliers of the service from the other nation, to the extent that such treatment is consistent with those agencies' legal authority, including their exercise of discretion in fulfilling their statutory mandates. The authorities of each Party responsible for implementing this Declaration shall consult with their own regulatory agencies in an effort to achieve consistency with the principles of this Declaration.

6. Each Party recognizes that there may be established public monopolies in the service area with reserved special rights. Nonetheless, each Party will endeavor to provide that, subject to their reserved special rights, such monopolies shall make their purchases and sales of services involving either imports or exports affecting the commerce of the other nation in accordance with the principles of this Declaration.

7. Each Party will make public its domestic laws and regulations affecting trade in services and notify the other Party of laws and regulations which discriminate against a service exported from the other nation. Each Party will provide to the nationals and companies of the other nation reasonable access to established domestic review and judicial proceedings relative to regulations on trade in services.

8. Each Party agrees to consult with the other periodically to discuss specific problems that arise concerning trade in services between the two nations and to review existing regulatory regimes of the two Parties as they affect trade in services.

9. The Parties will review the effectiveness of this Declaration not later than eighteen months from the date that this Declaration is signed. In this review, the Parties will explore further opportunities to strengthen open trade in services between the two nations, including the possibility of transforming the provisions of this Declaration into legally binding rights and obligations.

² For example, in the area of commercial banking, the concept of a commercial presence refers to the activities of representative offices, but not to agencies, branches or subsidiaries of commercial banks

In Witness Whereof, the respective representatives, having been duly authorized, have signed this Declaration.

Done in duplicate, in the Hebrew and English languages, both equally authentic, at Washington, D.C., this twenty second day of April, 1985, which corresponds to the first day of Iyar 5745.

FOR THE GOVERNMENT OF
OF
ISRAEL
AMERICA

FOR THE GOVERNMENT
THE UNITED STATES OF