

**INTRODUCTION OF HARMONIZED SYSTEM CHANGES INTO WTO
SCHEDULES OF TARIFF CONCESSIONS ON 1 JANUARY 1996**

Israel – Schedule XLII

Request for a Waiver

The following communication, dated 30 August 2005, is being circulated at the request of the Delegation of Israel.

Israel hereby requests the granting of a one-year extension of the waiver with respect to the introduction of HS96 changes in its schedule of concessions. This need is due to the fact that there is still a reservation pending on Israel's documentation, presented by the EC.

The original waiver was granted to Israel on 13 May 2002 by Decision WT/L/455, and expired on 31 October 2002. Subsequently, an extension was conceded to Israel by Decision WT/L/487, dated 15 October 2002, which expired on 30 April 2003. A new extension was granted on 24 July 2003 by Decision WT/L/531 dated that expired on 30 October 2003. A further extension was granted on 16 December 2003 by Decision WT/L/554, which expired on 30 April 2004. The General Council, by Decision WT/L/568 dated 17 May 2004, conceded a new extension that expired on 31 October 2004. Finally on 20 October 2004, a further extension was given by Decision WT/L/589 due to expire on 31 October 2005.

Previously, Israel had been granted a waiver and extensions in a collective basis, as follows: WT/L/124 + WT/L/173+ WT/L/216+ WT/L/243+ WT/L/268+ WT/L/281+ WT/L/303+ WT/L/338+ WT/L/351+ WT/L/379+ WT/L/400.

With respect to the 1996 changes on the Harmonized System-Schedule XLII, Israel has submitted the following documents: G/SECRET/HS96/26 dated 8 October 1996; G/SECRET/HS96/26/Add.1 dated 5 March 1999 and G/SECRET/HS96/26/Add.1/Corr.1 dated 6 July 2000.

In this regard, general reservations were presented by: US (dated 8.11.1996); EC (dated 6.12.1996, and specified concerns on 3.10.2000); Australia (dated 12.12.1996) and Canada (dated 6.01.1997, and specified concerns on 17.02.2000).

The reservations by Australia, Canada and US have been withdrawn or expired. The reservation by the EC is, nevertheless, still pending.

On February 2002 Israel submitted its responses to the EC questions and concerns regarding HS 96. On 4 September 2002, the EC specified two further concerns with respect to the answers provided. On 1 February 2005, Israel responded to these follow-up questions. On 10 May 2005, the EC reacted to Israel's response by reiterating its concerns.

Israel and the EC are currently engaged in efforts to reach a positive solution that will lead to the removal of the reservation in the near future. However, since it is not clear whether the EC will be able to remove its reservation before the expiration date of the current waiver, notably 31 October 2005, Israel is in need of requesting a further extension.
