

CHAPTER 14 EXCEPTIONS

ARTICLE 14.1: GENERAL EXCEPTIONS

1. For purposes of this Agreement Article XX of GATT 1994 and its Interpretative Notes are incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XX(b) of GATT 1994 include environmental measures necessary to protect human, animal, or plant life or health, and that Article XX(g) of GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

2. Notwithstanding paragraph 1, for purposes of Chapters 10 (Investment) and 11 (Trade in Services), Article XIV of GATS is incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XIV(b) of GATS include environmental measures necessary to protect human, animal, or plant life or health. The Parties understand that the measures referred to in Article XIV(a) of GATS include measures aimed at maintaining internal public order.

ARTICLE 14.2: SECURITY EXCEPTIONS

Nothing in this Agreement, including measures affecting re-exports to non-Parties or re-imports from non-Parties, shall be construed:

- (a) to require a Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or
- (b) to preclude a Party from applying measures that it considers necessary for the fulfillment of its obligations under the United Nations Charter with respect to the maintenance or restoration of international peace or security, or for the protection of its own essential security interests, or in order to carry out obligations it has accepted for the purpose of maintaining international security.

ARTICLE 14.3: TAXATION

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.

2. Notwithstanding paragraph 1:

- (a) Article 2.3 (National Treatment) shall apply to taxation measures to the same extent as does Article III of the GATT 1994 and its Interpretative Notes; and
- (b) Article 2.11 (Customs Duties on Exports) shall apply to taxation measures.

3. Nothing in this Agreement shall be construed to prevent a Party from adopting or enforcing any measure which:

- (a) aims at ensuring the effective and equitable imposition and collection of direct taxes;
- (b) distinguishes in the application of the relevant provisions of domestic fiscal legislation, including those aimed at ensuring the imposition and collection of duties, between tax payers who are not in the same situation, in particular with regard to their place of residence or with regard to the place where their capital is invested; or
- (c) aims at preventing the avoidance or evasion of taxes pursuant to tax conventions, tax provisions of other agreements, or domestic fiscal legislation.

4. Nothing in this Agreement shall affect the rights and obligations of either Party under any tax convention. In the event of any inconsistency between this Agreement and any tax convention, the convention shall prevail to the extent of the inconsistency.

5. For the purpose of this Article:

tax convention means conventions, agreements or arrangements relating wholly or mainly to taxation, including the avoidance of double taxation; and

taxes and taxation measures do not include:

- (a) a customs duty as defined in Article 1.5 (General Definitions); and
- (b) the measures listed in exceptions (b) and (c) of the definition of customs duty in Article 1.5 (General Definitions).

ARTICLE 14.4: LIMITATIONS ON IMPORTS

The limitation on the importation of non-kosher meat to Israel shall not be considered as a measure in violation of this Agreement.

ARTICLE 14.5: DISCLOSURE OF INFORMATION

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information the disclosure of which would impede law enforcement, or otherwise be contrary to public interest, or which would prejudice the legitimate commercial interests of individuals or of particular enterprises, public or private, including any service supplier as defined in Article 11.2 (Definitions).