

**ANNEX 9 - E**

**SECTION A:**

**ISRAEL - SCHEDULE OF SPECIFIC COMMITMENTS**

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>
<b>I. HORIZONTAL COMMITMENTS</b>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
ALL SECTORS INCLUDED IN THIS SCHEDULE		<p>(3) Registration of corporate bodies.            The Companies Law 5759-1999 requires that a corporation must have on its board at least two directors who must be residents of Israel and have a business or other relationship with the company. Public company holder of control of the company. Public company whose shares are listed abroad, can appoint non-resident directors.</p> <p>A foreign company that maintains in Israel a branch or an office for registration or transfer of shares may register as a foreign company and pay the relevant tax as a foreign partnership, i.e. one formed outside Israel, to carry on business in Israel if it is registered with the Registrar of Partnerships. In the case of a limited liability partnership registration has to be sanctioned by the Ministry of Finance who at his discretion may authorize or refuse.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
	<p>(4) Presence of Natural Persons</p> <p>1. Unbound except that Israel shall permit, without requiring compliance with labour market tests, the temporary entry of service providers as intra-corporate transfers in the following categories:</p> <p>(a) <u>Executives</u>: persons who primarily direct the management of the organization, establish its goals and generally have a wide decision making authority;</p> <p>(b) <u>Managers</u>: persons who direct the organization or its department and are in a senior level position responsible for the service providing functions of the organization by supervising and controlling and having also authority to hire and fire personnel or recommend such and other personnel actions.</p> <p>2. Unbound: Work permit will be issued in compliance with the labour market tests to those intra-corporate specialists, who possess knowledge at an advanced level of expertise or otherwise essential or proprietary to the organization's service, research equipment, techniques or management.</p>	<p>(4) Unbound except for executives and managers under Market Access.</p>



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(e) Engineering services (CPC 8672-8673)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.
(g) Urban planning (CPC 8674)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.
<b>B. <u>Computer and Related Services</u></b>		
(a) Consultancy services related to the installation of computer hardware (CPC 841)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.
(b) Software implementation services (CPC 842)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>(c), (d) Data processing and database services (CPC 8440 and 843, excluding time-sharing services (CPC 84330) insofar as it is related to telecommunications services)</p> <p>(e) Maintenance and repair services of office machinery and equipment including computers (CPC 845)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
F. <u>Other Business Services</u>  (a) Advertising (CPC 871)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(b) Market research and public opinion (CPC 864)  (c) Management consulting (CPC 865-866)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.  (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.  (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(h) Services incidental to mining and oil-field (CPC 8830)	(1) Unbound <sup>□</sup> (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound* (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.
(k) Placement and supply services of personnel - domestic market only (CPC 872)	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.
(m) Related scientific and technical consulting services (CPC 8675)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.



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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(p) Photographic services (CPC 875)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.
<p>2. COMMUNICATION SERVICES</p> <p>A, B. <u>Postal/Courier Services</u> (CPC 75111-2 and 7512) Above 500g per addressed item</p> <p>C. <u>Telecommunication Services</u> All sub-sectors</p>	<p>(1) None (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>(1),(3) Except with respect to termination of services from abroad, a service supplier must be incorporated under Israeli law and maintain his main place of business in Israel.</p>	<p>(1) None (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>(a) Voice telephone services (CPC 7521)</p> <p>(i) Public voice telephone:</p> <ul style="list-style-type: none"> <li>- wire-based</li> <li>- facilities based</li> <li>- local/long distance<sup>1</sup></li> </ul> <p>(ii) Public voice telephone:</p> <ul style="list-style-type: none"> <li>- wire-based</li> <li>- facilities based</li> <li>- International</li> </ul> <p>(iii) Public voice telephone:</p> <ul style="list-style-type: none"> <li>- facilities based</li> <li>- local/long distance</li> <li>- radio-based (cellular), including VAS supplied by mobile network operators</li> </ul>	<p>(1) None</p> <p>(2) None</p> <p>(3) Foreign holding of up to 80% is permitted.</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) 74% foreign ownership permitted in international service providers</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) Local partner required; no more than 80% of shares may be owned by a foreign entity.</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) 75% of the members of board of directors citizens and residents</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) Majority of members of board of directors citizens and residents</p> <p>(4) Unbound except as indicated in horizontal section</p> <p>(1) None</p> <p>(2) None</p> <p>(3) Majority of members of board of directors citizens and residents</p> <p>(4) Unbound except as indicated in horizontal section</p>

<sup>1</sup> International simple

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Pr

Sector or Sub-sector	Limitations on Market Access	Limitations on National Tre
<p>(iv) Non-public voice telephone: closed user groups and private networks</p> <p><i>Excess capacity may only be resold by a supplier with an appropriate license; must be point-to-point without any transmission to a third party. A supplier of private network services wishing to connect private locations must either obtain a public voice telephone license or use a licensed public voice telephone supplier.</i></p>	<p>(1) None.            (2) None            (3) None            (4) Unbound except as indicated in horizontal section</p>	<p>(1) None (2) None            (3) None            (4) Unbound except as indicated in horizon</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Pr

Sector or Sub-sector	Limitations on Market Access	Limitations on National Tre
<p>(b) Packet-switched data transmission (CPC 75231) and</p> <p>(c) Circuit-switched data transmission services (CPC 75231)</p> <p>(f) Facsimile services (CPC 7521** + 7529**)</p> <p>(g) Private-leased circuit services (CPC 75231)</p> <p>(o) Other</p> <p>(i) Paging services</p> <p>(ii) Satellite services</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal section</p>	<p>(1) None (2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizon</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>D. <u>Audio visual Services</u></p> <p>(a) Motion pictures and videotape production (CPC 96111-2)</p> <p>Distribution of motion pictures and video-tape (CPC 96113)</p>	<p>(1) Unbound (2) None (3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p> <p>(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) None (3) Israeli movies (25% Israeli investments grant). (4) Unbound except as indicated in the horizontal section.</p> <p>(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>4. DISTRIBUTION SERVICES</p> <p>B. <u>Wholesale Trade Service</u> Wholesale trade service of motor vehicles (CPC 61111)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p>	<p>(1) Unbound (2) None (3) None (4) None Unbound except as indicated in the horizontal section</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p><b>C. Retailing services</b></p> <p>Retail sales of motor vehicles (CPC 61112)</p> <p>Sales of motorcycles and snow mobiles and related parts and accessories (CPC 6121)</p> <p>Retail sales of fuel oil, bottled gas, coal and wood (CPC 63297)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) None Unbound except as indicated in the horizontal section</p> <p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in the horizontal section</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>6. ENVIRONMENTAL SERVICES</p> <p>A. <u>Sewage services</u> (CPC 9401) (Not including industrial activities)</p> <p>B. <u>Refuse disposal services</u> (CPC 9402) (Not including industrial activities)</p> <p>C. <u>Sanitation and similar services</u> (CPC 9403) (Not including industrial activities)</p> <p>D. <u>Other</u> Cleaning services of exhaust Gases (CPC 9404)</p> <p>Noise abatement services (CPC 9405) (Not including industrial activities)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p> <p>Note: The common practice in this sector is to require a local representative.</p>

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<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Tre</b>
activities)		



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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>5. FINANCIAL SERVICES</p> <p style="text-align: center;"><u>General Notes:</u></p> <ol style="list-style-type: none"> <li>1. Israel accepted the obligations of Article VIII of the Articles of Agreement of the International Monetary Fund, Sections 2 and 3. Israel maintains an exchange system free of restrictions on the making of payments and transfers for current international transactions, except as introduced for security reasons pursuant to Decision No. 144-(52/51) of the IMF, and subject to a reporting requirement to the financial intermediary.</li> <li>2. For prudential reasons within the context of paragraph 2(a) of the GATS Annex on Financial Services, Israel applies, <i>inter alia</i>, measures of establishment or residence of natural persons in Israel for the supply of Financial Services.</li> <li>3. Modes of supply 1 and 2 in financial services schedules: the absence of any limitation on the ability of a resident consumer of another Member does not signify a commitment to allow a non-resident service supplier to solicit business or to conduct business in that Member.</li> </ol>		
<p><u>All Insurance and Insurance Related Services</u></p> <p>I. Direct insurance</p> <p>(A) Life insurance including Pension fund</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(1) (2) Tax benefits may be granted only for life insurance in Israel. (3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Pr

Sector or Sub-sector	Limitations on Market Access	Limitations on National Tre
(B) Non-Life insurance services	(1) Unbound (2) Unbound  (3) None (4) Unbound except as indicated in the horizontal section.	(1) Events which call for insurance to be provided by an authorized insurer, as defined under Israeli law, purchased from an insurance company established in Israel and licenced by the Israeli Commission for Insurance; (2) None (3) Unbound except as indicated in the horizontal section.
(C) M.A.T	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.
II. Reinsurance and retrocession	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.



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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(c) Risk assessment	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.
(d) Claim settlement services	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<u>Banking and other Financial Services</u> (Excluding Insurance)  V. Acceptance of deposits and other repayable funds from the public	(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
VI. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction	(1), (2) Such activities may only be carried out through banking institutions licenced by the controller of foreign exchange to act as an authorized dealer. (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	(1), (2) Such activities may only be carried out by Banking institutions licenced by the controller of foreign exchange to act as an authorized dealer. (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.
VII. Financial leasing	(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None for banks. Unbound for non banking institutions. (4) Unbound, except as indicated in the horizontal section.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
VIII. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
IX. Guarantees and commitments	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.
X. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:		

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>(A) money market instruments (including cheques, bills, certificates of deposits, etc.)</p> <p>(B) Foreign exchange</p> <p>(E) Transferable securities</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>
<p>XI. Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues</p>	<p>(1) Unbound (2) Unbound (3) Banks are required to carry out such activities only through subsidiaries. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Tre
XIII. Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services	(1) Unbound (2) Unbound (3) Banks are required to carry out asset management activities only through subsidiaries. With regards to all forms of collective investment management, banks may not engage, or own a company which engages, in collective investment management. (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None  (4) Unbound, except as indicated in the hor
XIV. Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments	(1) Unbound (2) Unbound (3) Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members. (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members. (4) Unbound, except as indicated in the hor
XV. Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the hor



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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
XVI. Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (V) through (XV), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	(1) Unbound (2) Unbound (3) Banks are forbidden to render advice on acquisitions and on corporate restructuring, and strategy (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None  (4) Unbound, except as indicated in the horizontal section.
9. TOURISM AND TRAVEL-RELATED SERVICES		
A. <u>Hotel Services</u> (CPC 641)	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in the horizontal section.
services Food serving (CPC 642-643)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.
<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>B. <u>Travel Agencies and Tour Operators</u> (CPC 7471)</p>	<p>(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) None (3) None (4) Unbound except as indicated in the horizontal section.</p>
<p>C. <u>Tourist Guides Services</u> (CPC 7472)</p>	<p>(1) Unbound* (2) None (3) Israeli resident or citizen. (4) Unbound except as indicated in the horizontal section.</p>	<p>(1) Unbound* (2) None (3) Israeli resident or citizen. (4) Unbound except as indicated in the horizontal section.</p>

□ unbound due to lack of technical feasibility