

CHAPTER 16 EXCEPTIONS

ARTICLE 16.1: DEFINITIONS

For purposes of this Chapter:

tax convention means a convention for the avoidance of double taxation or other international taxation agreement or arrangement; and

tax and taxation measures do not include:

- (a) a customs duty as defined in Article 1.1 (Definitions of General Application); or
- (b) a measure listed in exceptions (b) and (c) in the definition of customs duty in Article 1.1 (Definitions of General Application).

ARTICLE 16.2: GENERAL EXCEPTIONS

1. For the purposes of this Agreement Article XX of GATT 1994 are incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XX(b) of the 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 8 (Investment) and 9 (Trade in Services), Article XIV of the 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 the *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 16.3: SECURITY EXCEPTIONS

Nothing in this Agreement shall be construed to:

- (a) 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) 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 16.4: TAXATION

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.
2. Nothing in this Agreement shall affect the rights and obligations of a Party under any tax convention. In the event of an inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.
3. Notwithstanding paragraph 2:
 - (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;
 - (b) Article 2.12 (Duties on Export) shall apply to taxation measures.
4. Subject to paragraph 2, Article 9.5 (National Treatment) shall apply to taxation measures to the same extent as does Article XVII of the *GATS*;
5. Subject to paragraph 2, Article 9.3 (Most Favored Nation Treatment) shall apply to taxation measures to the same extent as does Article II of the *GATS*.

ARTICLE 16.5: 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 16.6: 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.