

NOTES

1. Conditions. The main conditions¹ for admission under the Free Trade Area (FTA) Agreement between the United States of America and Israel (the Agreement) are:
 - (a) The goods must be consigned direct from the United States of America to Israel but in most cases shipment through one or more intermediate countries is accepted provided that the goods did not enter into the commerce of that country and otherwise complied with the direct shipment requirements of the Agreement.
 - (b) The goods comply with the origin criteria specified in the Agreement. Indication of the origin requirements is given in paragraph 2.
 - (c) Each article in a consignment must qualify separately in its own right concerning the rules of origin and direct shipment.
2. Origin requirements for goods originating in the United States of America.

The Agreement shall apply to any article if:

- (a) That article is wholly the growth, product, or manufacture of the United States of America or is a new or different article of commerce that has been grown, produced, or manufactured in the United States of America.
- (b) The sum of (a) the cost or value of the materials produced in the United States of America plus (b) the direct cost of processing operations performed in the United States of America is not less than 35 percent of the appraised value of the article at the time it is entered into Israel.

No article shall be considered a new or different article of commerce under the Agreement and no material shall be eligible for inclusion as domestic content under the Agreement by virtue of having merely undergone (a) the simple combining or packaging operations or (b) mere dilution with water or with another substance that does not materially alter the characteristics of the article or material.

The expression "wholly the growth, product, or manufacture of the United States of America" refers both to any article which has been entirely grown, produced, or manufactured in the United States of America and to all materials incorporated in an article which have been entirely grown, produced, or manufactured in the United States, as distinguished from articles or materials imported into the United States of America from a third country, whether or not such articles or materials were substantially transformed into new or different articles of commerce after their importation into the United States of America.

"Country of origin" requires that an article or material, not wholly the growth, product, or manufacture of the United States of America, be substantially transformed into a new and different article of commerce, having a new name, character, or use, distinct from the article or material from which it was so transformed.

For purpose of determining the 35 percent U.S.A. content requirement under the Agreement, the cost or value of materials which are used in the production of an article in the United States of America, and which are the products of Israel, may be counted in an amount up to 15 percent of the appraised value of the article. Such materials must in fact be products of Israel under the country or origin criteria set forth in the Agreement.

3. Entries to be made in Box 8.

Products must be either wholly obtained in accordance with the rules of the Free Trade Agreement or sufficiently worked or processed to fulfill the requirements of the Free Trade Area Agreement.

(1) Products wholly grown, produced, or manufactured in the United States: enter the letter P in Box 8.

(2) Products sufficiently worked or processed in the United States of America: enter in Box 8 a Y value for the sum of the cost or value of the domestic materials and the direct cost of processing expressed as a percentage of the ex-factory price of the exported products. (Example: Y=35%.)

4. The declaration of the exporter on this certificate shall be notarized by a notary public and certified by an appropriately constituted local business organization, such as chamber of commerce or board of trade.

However, Israel will accept as valid the U.S.-Israel Certificate of Origin that does not contain a notarization (box 12) or a certification by a Chamber of Commerce (box 11), provided that:²

- I) If the exporter is the producer, the following signed declaration is typed on the certificate of origin (preferably in box 11):

"The undersigned hereby declares that he/she is the producer of the goods listed in this invoice and that they comply with the origin requirements specified for those goods in the U.S.-Israel Free Trade Area Agreement for goods exported to Israel."

- II) If the exporter is not the producer, a letter from the product's producer must be attached to the form certifying that the product is of U.S. origin under the rules of the U.S.-Israel FTA.

a. The attached letter must be on the letterhead of the producing company;

b. The attached letter must be signed by an authorized employee of the producing company;

c. The attached letter must specifically refer to the shipment described in the Customs form including the invoice date;

d. The attached letter would read as follows:

"The undersigned hereby declares that the goods in the attached invoice were produced in the United States of America and that they comply with the origin requirements specified for those goods in the U.S.-Israel Free Trade Area Agreement for goods exported to Israel."

¹The conditions specified on this Form are for reference purposes only and do not change in any way or manner the binding rules of origin as specified in Annex III to the FTA Agreement between the United States of America and Israel.

²Result of consultations between the Governments of Israel and the United States in May 1993.