

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

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### EFTA - ISRAEL FREE TRADE AGREEMENT

Joint Communication by the Government of Norway, on behalf  
of the EFTA States, and the Government of Israel

#### Addendum

The following text reproduces the Agreement<sup>1</sup> between the EFTA States and Israel.

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<sup>1</sup>The Annexes and Protocols thereto and the bilateral arrangements between each EFTA State and Israel on agricultural products have also been submitted to the secretariat for consultation by interested contracting parties (Office 2078).

## **PREAMBLE**

The Republic of Austria, the Republic of Finland, the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway, the Kingdom of Sweden, the Swiss Confederation (hereinafter called the EFTA States)

and

the State of Israel (hereinafter called Israel),

Having regard to the Convention establishing the European Free Trade Association (EFTA),

Having regard to the Free Trade Agreements and related instruments between Israel and its main trading partners,

Having regard to the co-operation developed in the light of the aforementioned Agreements as well as between individual EFTA States and Israel,

Declaring their willingness to take action with a view to promoting a harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in fields of common interest, including fields not covered by this Agreement, thus creating a framework and supportive environment based on equality and non-discrimination,

Recalling the mutual interest of the EFTA States and Israel to the continual reinforcement of the multilateral trading system and considering their capacity as Contracting Parties of the General Agreement on Tariffs and Trade, the provisions and instruments of which constitute a basis for their foreign trade policy,

Resolved to lay down for this purpose provisions aimed at a progressive abolition of the obstacles to trade between the EFTA States and Israel in accordance with the provisions of that Agreement, in particular those concerning the establishment of free trade areas,

Confirming the common desire for the progressive and sustained participation of the EFTA States and Israel in the process of economic integration,

Considering that no provision of this Agreement may be interpreted as exempting the States Parties to this Agreement (hereinafter called the Parties) from their obligations under other international agreements,

**HAVE DECIDED**, in pursuance of these objectives, to conclude the following Agreement:

## **ARTICLE 1**

### **Objectives**

The objectives of this Agreement are:

- (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the EFTA States and Israel;
- (b) to provide fair conditions of competition for trade between the EFTA States and Israel;
- (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade;
- (d) to enhance co-operation between the EFTA States and Israel.

## **ARTICLE 2**

### **Scope**

1. The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;
- (c) to fish and other marine products as provided for in Annex II;

originating in an EFTA State or in Israel.

2. The provisions concerning trade in agricultural products which are not covered by paragraph 1 are contained in Article 11.

3. This Agreement applies to trade relations between, on the one hand, each EFTA State and, on the other hand, Israel. It shall not apply to the trade relations between EFTA States, except if otherwise provided for in this Agreement.

## **ARTICLE 3**

### **Rules of origin**

1. Protocol B lays down the rules of origin and methods of administrative co-operation.

2. The Parties shall take appropriate measures, including regular reviews and arrangements regarding administrative co-operation, to ensure that the provisions of Articles 4 to 7, 12 and 21 are effectively and harmoniously applied, taking into account the need to reduce as far as possible the formalities imposed on trade and the need to achieve mutually satisfactory solutions to any difficulties arising out of the operation of those provisions.

#### **ARTICLE 4**

##### **Customs duties on imports and charges having equivalent effect**

1. No new customs duty on imports or any charge having equivalent effect shall be introduced in trade between the EFTA States and Israel.
2. Upon the entry into force of this Agreement the EFTA States shall abolish all customs duties on imports and any charges having equivalent effect for products originating in Israel.
3. Upon the entry into force of this Agreement Israel shall abolish all customs duties on imports and any charges having equivalent effect for products originating in an EFTA State.

#### **ARTICLE 5**

##### **Customs duties of a fiscal nature**

1. The provisions of paragraphs 1 to 3 of Article 4 shall also apply to customs duties of a fiscal nature except as provided for in Protocol C.
2. The Parties may replace a customs duty of a fiscal nature or the fiscal element of a customs duty by an internal tax.

#### **ARTICLE 6**

##### **Customs duties on exports and charges having equivalent effect**

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between the EFTA States and Israel.
2. Upon the entry into force of this Agreement customs duties on exports and any charges having equivalent effect shall be abolished, except as provided for in Annex III.

#### **ARTICLE 7**

##### **Quantitative restrictions and measures having equivalent effect**

1. No new quantitative restriction on imports or exports or measures having equivalent effect shall be introduced in trade between the EFTA States and Israel.
2. Upon the entry into force of this Agreement quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished except as provided for in Annex IV.
3. For the purpose of this Agreement "quantitative restrictions and measures having equivalent effect" means prohibitions or restrictions on imports or exports into an EFTA State from Israel or into Israel from an EFTA State made effective through quotas, import or export licences or other administrative measures and requirements restricting trade.

## **ARTICLE 8**

### **Non-economic reasons for restrictions**

**This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants and of the environment; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of intellectual property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or disguised restriction on trade between an EFTA State and Israel.**

## **ARTICLE 9**

### **State monopolies**

- 1. The Parties shall ensure that any state monopoly of a commercial character be adjusted so that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the EFTA States and Israel.**
- 2. The provisions of this Article shall apply to any body through which the competent authorities of the Parties, in law or in fact, either directly or indirectly supervise, determine or appreciably influence imports or exports between the Parties. These provisions shall likewise apply to monopolies delegated by the State to others.**

## **ARTICLE 10**

### **Technical regulations**

- 1. The Parties recognize the important role of harmonized international standards and technical regulations in the development of trade.**
- 2. They reconfirm their adherence to the GATT Agreement on Technical Barriers to Trade and to its procedures.**
- 3. The Parties may, within the framework of the Joint Committee, hold consultations in case that a Party considers that another Party did not fulfil its obligations in a satisfactory way, in particular if a Party considers that another Party has taken measures which are likely to create, or have created, an obstacle to trade.**
- 4. The Parties agree to start discussions on possibilities to co-operate more closely in the field of testing and certification as means to further facilitate trade.**

## **ARTICLE 11**

### **Trade in agricultural products**

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.
2. In pursuance of this objective each individual EFTA State and Israel have concluded a bilateral arrangement providing for measures to facilitate trade in agricultural products.
3. The Parties shall apply their regulations in veterinary, plant health and health matters in a non-discriminatory fashion and shall not introduce any new measures that have the effect of unduly obstructing trade.

## **ARTICLE 12**

### **Internal taxation**

1. The Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in an EFTA State and like products originating in Israel.
2. Products exported to the territory of one of the Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

## **ARTICLE 13**

### **Payments**

1. Payments relating to trade between an EFTA State and Israel and the transfer of such payments to the territory of the Party where the creditor resides shall be free from any restrictions.
2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short- and medium-term credits covering commercial transactions in which a resident participates.
3. Israel reserves the right to apply exchange restrictions connected with the granting or taking up of short- and medium-term credits to the extent permitted according to Israel's status under the IMF, provided that these restrictions are applied in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. Israel shall inform the Joint Committee promptly of the introduction of such measures and of any changes therein.

## **ARTICLE 14**

### **Public procurement**

- 1. The Parties consider the effective liberalisation of their respective public procurement markets an integral objective of this Agreement.**
- 2. As of the entry into force of this Agreement, the Parties shall grant each other's companies access to contract award procedures on their respective public procurement markets on a reciprocal basis according to the Agreement on Government Procurement of 12 April 1979, as amended by a Protocol of Amendments of 2 February 1987, negotiated under the auspices of the General Agreement on Tariffs and Trade.**
- 3. Taking into account the rules and disciplines agreed upon within the General Agreement on Tariffs and Trade and with third countries in this field, the Parties foresee to extend the scope of paragraph 2 of this Article after the entry into force of this Agreement in accordance with the following provisions:**
  - (a) The Parties agree to further ensure effective transparency and free access and that there is no discrimination between the potential suppliers from the Parties. To this end the Parties shall progressively adjust the relevant rules, conditions, procedures and practices governing the participation in contracts awarded by public authorities and public undertakings, and by private undertakings which have been granted special or exclusive rights.**
  - (b) The Parties agree to entrust the Joint Committee to decide, as soon as possible, on all practical modalities, including the scope, timetable and rules for this adjustment, taking into account the need to maintain a full balance of the rights and obligations between the Parties.**
- 4. As soon as conceivable after the entry into force of this Agreement, the Joint Committee shall discuss with a view to reaching an agreement on a progressive extension of the list of the procuring entities to be covered as regards their procurements in the supplies and utilities sectors, above the respective thresholds.**

## **ARTICLE 15**

### **Protection of intellectual property**

- 1. The Parties shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property rights, as defined in Article 1 of Annex V. They shall adopt and take adequate, effective and non-discriminatory measures for the enforcement of such rights against infringement thereof, and in particular against counterfeiting and piracy. Particular obligations of the Parties shall be listed in Annex V.**
- 2. The Parties agree to comply with the substantive provisions of the multilateral conventions which are specified in Article 2 of Annex V and make their best endeavours to adhere to them as well as to multilateral agreements facilitating co-operation in the field of protection of intellectual property rights.**

3. In the field of intellectual property, the Parties shall not grant treatment to each other's nationals less favourable than that accorded to nationals of any other State. Any advantage, favour, privilege or immunity in the field of intellectual property deriving from:

- (a) bilateral agreements in force for a Party at the entry into force of this Agreement as notified to the other Party at the latest before the entry into force,
- (b) existing and future multilateral agreements, including regional agreements on economic integration to which not all of the Parties are parties,

may be exempted from this obligation, provided that it does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Party.

4. Two or more Parties may conclude further agreements exceeding the terms of this Agreement and of Annex V, provided that such agreements shall be open to all other Parties on terms equivalent to those under the agreements and that they shall be ready to enter into good faith negotiations to this end.

5. The Parties agree to keep under mutual review the implementation of the provisions on intellectual property with a view to further improve levels of protection and to avoid or remedy trade distortions caused by actual levels of protection of intellectual property rights.

6. If any Party considers that any other Party has failed to fulfil its obligations under this Article and the Annex thereto, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 23.

7. The Parties shall agree upon appropriate modalities for technical assistance and co-operation of respective authorities of the Parties. To this end, they shall co-ordinate efforts with relevant international organizations.

#### ARTICLE 16

##### Fulfilment of obligations

1. The Parties shall take all necessary measures to ensure the achievement of the objectives of the Agreement and the fulfilment of their obligations under this Agreement.

2. If an EFTA State considers that Israel has, or if Israel considers that an EFTA State has, failed to fulfil an obligation under this Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 23.

#### ARTICLE 17

##### Rules of competition applying to undertakings

1. The following are incompatible with the proper functioning of this Agreement in so far as they may affect trade between an EFTA State and Israel:



- (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
- (b) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.

2. These provisions shall also apply to the activities of public undertakings, and undertakings for which the Parties grant special or exclusive rights, in so far as the application of these provisions does not obstruct the performance, in law or in fact, of their particular public tasks.

3. If a Party considers that a given practice is incompatible with this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 23.

#### ARTICLE 18

##### State aid

1. Any aid granted by a Party or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between an EFTA State and Israel, be incompatible with the proper functioning of this Agreement.

2. Any practices contrary to paragraph 1 should be assessed on the basis of the criteria set out in Annex VI.

3. The Parties shall ensure the transparency of state aid measures by exchanging information as provided in Annex VII. The Joint Committee shall within one year after the entry into force of the Agreement adopt the necessary rules for the implementation of this paragraph.

4. If a Party considers that a given practice is incompatible with paragraph 1, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 23.

#### ARTICLE 19

##### Anti-dumping

If a Party finds that dumping is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with Article VI of the General Agreement on Tariffs and Trade and agreements related to that Article, under the conditions and in accordance with the procedures laid down in Article 23.

## **ARTICLE 20**

### **Emergency action on imports of particular products**

If an increase in imports of a given product originating in an EFTA State or Israel occurs in quantities or under conditions which cause, or are likely to cause:

- (a) serious injury to domestic producers of like or directly competitive products in the territory of the importing Party, or
- (b) serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 23.

## **ARTICLE 21**

### **Re-export and serious shortage**

Where compliance with the provisions of Articles 6 and 7 leads to:

- (a) re-export towards a third country against which the exporting Party maintains for the products concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 23.

## **ARTICLE 22**

### **Balance of payments difficulties**

1. (a) A Party may apply temporary trade measures when it is threatened by, or suffers from, a serious balance of payments situation. A Party may impose temporary trade measures only to provide time for macroeconomic adjustment measures to correct its balance of payments problems to take effect. Temporary trade measures permitted by this paragraph may not be used to protect individual industries or sectors.
- (b) A serious balance of payments situation would be indicated by one or more of the following: a substantial deterioration in the trade and current account positions, significant pressure on the exchange rate, or substantial fall in net reserves, as projected either in a decrease of reserves or in an increase of short term debt.

2. Temporary trade measures which may be applied under paragraph 1 are:
    - (a) an import surcharge in the form of import duties;
    - (b) an import deposit; or
    - (c) quantitative restrictions.
  3.
    - (a) Whenever practicable, the Parties will prefer the use of the temporary measures specified in subparagraphs 2 (a) and (b). Quantitative restrictions will be imposed when measures under subparagraphs 2 (a) and (b) would be inadequate in terms of their balance of payments effects.
    - (b) Whenever practicable, the Parties will avoid applying more than one of the measures specified in paragraph 2 to any single product at the same time.
  4. A temporary trade measure applied under paragraph 1 may remain in force for a period not exceeding 150 days unless extended by the appropriate legislative body of the Party concerned for a subsequent period of 150 days. Quantitative restrictions may be extended only for one additional period of 150 days.
  5. Temporary trade measures applied under paragraph 1 will be consistent in duration and effect with the severity of the balance of payments problem experienced by the Party imposing the measures and will be progressively relaxed consistent with improvements in that Party's balance of payments situation.
  6. In applying temporary trade measures, the Parties will accord treatment no less favourable to imports originating in any other Party than to imports originating in third countries, and will not impair the relative benefits accorded to the other Party under this Agreement.
  7. Temporary trade measures specified under subparagraphs 2 (a) and (b) shall apply to all imports, except that certain imports may be excluded if their exclusion improves the effectiveness of the measures consistent with the purposes stated in paragraph 1.
  8. The application of trade restrictive measures as provided for in paragraph 1 shall be subject to the procedure laid down in Article 23, paragraphs 2 to 6, with a view to consider, inter alia, other economic measures which might be taken to deal with the balance of payments problems to permit early elimination of the temporary trade measures.
- Significant intensification of trade measures may be a cause for consultations between the Parties. It is understood that notification for balance of payments reasons will generally be provided under paragraph 6 of Article 23.

## **ARTICLE 23**

### **Procedure for the application of safeguard measures**

1. Before initiating the procedure for the application of safeguard measures set out in this Article, the Parties shall endeavour to solve any differences between them through direct consultations, and inform the other Parties.

2. Without prejudice to paragraph 6 of this Article, a Party which considers resorting to safeguard measures shall promptly notify the other Parties and the Joint Committee thereof and supply all relevant information. Consultations between the Parties shall take place without delay in the Joint Committee with a view to finding a commonly acceptable solution.
3. (a) As regards Articles 17 and 18, the Parties concerned shall give to the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. If the Party in question fails to put an end to the practice objected to within the period fixed by the Joint Committee, or if the Joint Committee fails to reach an agreement within three months of the matter being referred to it, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.
- (b) As regards Articles 19, 20, 21, 22, and Article 5 A.(b)(ii) of Annex II, the Joint Committee shall examine the situation and may take any decision needed to put an end to the difficulties notified by the Party concerned. In the absence of such decision within thirty days of the matter being referred to the Joint Committee, the Party concerned may adopt the measures necessary in order to remedy the situation.
- (c) As regards Article 16, the Party concerned may take appropriate measures after the consultations within the Joint Committee have been concluded or a period of three months has elapsed from the date of notification.
4. The safeguard measures taken shall be notified immediately to the Parties and to the Joint Committee. They shall be restricted with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures as will least disturb the functioning of the Agreement. The measures taken by Israel against an action or an omission of an EFTA State may only affect the trade with that State.
5. The safeguard measures taken shall be the object of regular consultations within the Joint Committee with a view to their relaxation, substitution or abolition as soon as possible.
6. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 18, 19, 20, 21 and 22, apply forthwith the precautionary measures strictly necessary to remedy the situation. The measures shall be notified without delay and consultations between the Parties shall take place within the Joint Committee as soon as possible.

#### ARTICLE 24

##### Security exceptions

Nothing in this Agreement shall prevent a Party to it from taking any measures which it considers necessary:

- (a) to prevent the disclosure of information contrary to its essential security interests;
- (b) for the protection of its essential security interests or for the implementation of international obligations or national policies
  - (i) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods, materials and services as is carried on directly or indirectly for the purpose of supplying a military establishment; or
  - (ii) relating to the non-proliferation of biological and chemical weapons, nuclear weapons or other nuclear explosive devices; or
  - (iii) in time of war or other serious international tension.

#### **ARTICLE 25**

##### **Non-discrimination**

In the fields covered by this Agreement:

- (a) the arrangements applied by Israel in respect of the EFTA States shall not give rise to any discrimination between these States, their nationals or their companies or firms;
- (b) the arrangements applied by the EFTA States in respect of Israel shall not give rise to discrimination between Israeli nationals, companies or firms.

#### **ARTICLE 26**

##### **Establishment of the Joint Committee**

1. A Joint Committee is hereby established in which each Party shall be represented. The Joint Committee shall be responsible for the administration of the Agreement and shall ensure its proper implementation.
2. For the purpose of the proper implementation of this Agreement, the Parties to it shall exchange information and, at the request of any Party, shall hold consultations within the Joint Committee. The Joint Committee shall keep under review the possibility of further removal of the obstacles to trade between the EFTA States and Israel.
3. The Joint Committee may, under the conditions laid down in paragraph 3 of Article 27, take decisions in the cases provided for in this Agreement. On other matters, the Joint Committee may make recommendations.

## **ARTICLE 27**

### **Procedures of the Joint Committee**

1. For the proper implementation of this Agreement the Joint Committee shall meet at an appropriate level whenever necessary but at least once a year. Each Party may request that a meeting be held.
2. The Committee shall act by common agreement.
3. If a representative in the Joint Committee of a Party has accepted a decision subject to the fulfilment of constitutional or legislative requirements, the decision shall enter into force, if no later date is contained therein, on the day the lifting of the reservation is notified.
4. For the purpose of this Agreement the Joint Committee shall adopt its rules of procedure which shall, inter alia, contain provisions for convening meetings and for the designation of the Chairman and his term of office.
5. The Joint Committee may decide to set up such sub-committees and working parties as it considers necessary to assist it in accomplishing its tasks.

## **ARTICLE 28**

### **Evolutionary clause**

1. Where a Party considers that it would be useful in the interests of the economies of the Parties to develop the relations established by the Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to them.

The Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them.

2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties in accordance with their own procedures.

## **ARTICLE 29**

### **Services and investments**

1. The Parties recognize the growing importance of certain areas, such as services and investments. In their efforts to gradually deepen and broaden their co-operation, they will co-operate with the aim of achieving a progressive liberalization and mutual opening of markets for investments and trade in services, taking into account relevant GATT work. They will endeavour to accord treatment no less favourable than that accorded to domestic and foreign operators in their territories on condition that a balance of rights and obligations exists between the Parties.

2. The modalities for this co-operation will be negotiated in the Joint Committee. Arrangements resulting therefrom will, where necessary, be subject to ratification or

approval by the Parties in accordance with their own procedures and be applied within the framework of this Agreement.

#### **ARTICLE 30**

##### **Protocols and Annexes**

The Protocols and Annexes to this Agreement are an integral part of it. The Joint Committee may decide to amend the Protocols and Annexes.

#### **ARTICLE 31**

##### **Customs unions, free trade areas and frontier trade**

This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade to the extent that these do not negatively affect the trade regime and in particular the provisions concerning rules of origin provided for by this Agreement.

#### **ARTICLE 32**

##### **Territorial application**

This Agreement shall apply to the territories of the Parties.

#### **ARTICLE 33**

##### **Entry into force**

1. This Agreement shall enter into force on 1 January 1993 in relation to those Signatory States which by then have deposited their instruments of ratification or acceptance with the Depositary, provided that Israel is among the States that have deposited their instruments of ratification or acceptance.
2. In relation to a Signatory State depositing its instrument of ratification or acceptance after 1 January 1993, this Agreement shall enter into force on the first day of the second month following the deposit of its instrument, provided that Israel is among the States that have deposited their instruments of ratification or acceptance.
3. Any Signatory State may already at the time of signature declare that, during an initial phase, it shall apply the Agreement provisionally, if the Agreement cannot enter into force in relation to that State by 1 January 1993, provided that in relation to Israel the Agreement has entered into force.

#### **ARTICLE 34**

##### **Amendments**

Amendments to this Agreement other than those referred to in Article 30, which are approved by the Joint Committee, shall be submitted to the Parties for ratification or acceptance and shall enter into force if ratified or accepted by all the Parties. The instruments of ratification or acceptance shall be deposited with the Depositary.

#### **ARTICLE 35**

##### **Accession**

1. Any State, Member of the European Free Trade Association, may accede to this Agreement, provided that the Joint Committee decides to approve its accession, on such terms and conditions as may be set out in that decision. The instrument of accession shall be deposited with the Depositary.
2. In relation to an acceding State, the Agreement shall enter into force on the first day of the third month following the deposit of its instrument of accession.

#### **ARTICLE 36**

##### **Withdrawal and expiration**

1. Each Party may withdraw from this Agreement by means of a written notification to the Depositary. The withdrawal shall take effect six months after the date on which the notification is received by the Depositary.
2. If Israel withdraws, the Agreement shall expire at the end of the notice period, and if all EFTA States withdraw it shall expire at the end of the latest notice period.
3. Any EFTA Member State which withdraws from the Convention establishing the European Free Trade Association shall *ipso facto* on the same day as the withdrawal takes effect cease to be a Party.

#### **ARTICLE 37**

##### **Depositary**

The Government of Sweden, acting as Depositary, shall notify all States that have signed or acceded to this Agreement of the deposit of any instrument of ratification, acceptance or accession, the entry into force of this Agreement, of its expiry or of any withdrawal therefrom.