CHAPTER 2
MARKET ACCESS FOR GOODS

SECTION A: COMMON PROVISIONS

ARTICLE 2.1: SCOPE OF APPLICATION

Except as otherwise provided in this Agreement, this Chapter shall apply to trade in goods between the Parties**.**

ARTICLE 2.2: CLASSIFICATION AND VALUATION OF GOODS

1. The classification of goods in trade between the Parties shall be that set out in the respective tariff nomenclature of each Party in conformity with the Harmonized System (HS).

2. A Party may introduce new tariff splits, provided that the preferential conditions applied in the new tariff splits are not less preferential than those applied originally.

3. For the purpose of determining the customs value of goods traded between the Parties, provisions of Article VII of the GATT 1994, its Interpretative Notes, and the Customs Valuation Agreement shall apply *mutatis mutandis*.

ARTICLE 2.3: NATIONAL TREATMENT

1. Except as otherwise provided in this Agreement, each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its Interpretative Notes. To this end, Article III of the GATT 1994 and its Interpretative Notes, are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Paragraph 1 shall not apply to the measures set out in Annex 2-C.

ARTICLE 2.4: RESTRICTIONS TO SAFEGUARD THE BALANCE OF PAYMENTS

1. The Parties shall endeavor to avoid the imposition of restrictive measures for balance of payments purposes.

2. A Party in serious balance of payments difficulties, or under imminent threat thereof, may, in accordance with the conditions established under the GATT 1994 and the *WTO Understanding on the Balance of Payments Provisions of the GATT 1994* adopt trade restrictive measures, which shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance of payments situation.

ARTICLE 2.5: TEMPORARY ADMISSION OF GOODS

1. Each Party shall grant duty-free temporary admission for the following goods, regardless of their origin:

(a) professional equipment, including equipment for the press or television, software, and broadcasting and cinematographic equipment, necessary for carrying out the business activity, trade, or profession of a person who qualifies for temporary entry pursuant to the law of the importing Party;

(b) goods intended for display or demonstration;

(c) commercial samples and advertising films and recordings;

2. Each Party shall, upon request of the person concerned and for reasons its Customs Authority considers valid, extend the time limit for temporary admission beyond the period initially fixed.

3. No Party may condition the duty-free temporary admission of a good referred to in paragraph 1, other than to require that the good:

(a) be used solely by or under the personal supervision of a national or resident of the other Party in the exercise of trade, business, professional, or sport activities;

(b) not be sold or leased while in its territory;

(c) be accompanied by a security in an amount no greater than the import duties and other charges that would otherwise be owed on entry or final importation, releasable on exportation of the good;

(d) be capable of identification when exported;

(e) be exported upon the departure of the person referenced in subparagraph (a), or within such other period related to the purpose of the temporary admission as the Party may establish, or within one year, unless extended;

(f) be admitted in no greater quantity than is reasonable for its intended use; and

(g) be otherwise admissible into the Party's territory under its law.

4. If any condition that a Party imposes under paragraph 3 has not been fulfilled, the Party may apply the customs duty and any other charge that would normally be owed on the good plus any other charges or penalties provided for under its law.

5. Each Party shall adopt and maintain procedures providing for the expeditious release of goods admitted under this Article. To the extent possible, such procedures shall provide that, when such goods accompany a national or resident of the other Party who is seeking temporary entry, the goods shall be released simultaneously with the entry of that national or resident.

6. Each Party shall permit a good temporarily admitted under this Article to be exported through a customs port other than that through which it was admitted.

7. Each Party shall provide that the importer or other person responsible for a good admitted under this Article shall not be liable for failure to export the good on presentation of satisfactory proof to the importing Party that the good has been destroyed within the original period fixed for temporary admission or any lawful extension thereof.

8. Subject to Chapters 10 (Investments) and 11 (Trade in Services):

(a) each Party shall allow a vehicle or container used in international traffic that enters its territory from the territory of the other Party to exit its territory on any route that is reasonably related to the economic and prompt departure of such vehicle or container;

(b) no Party may require any security or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a vehicle or container;

(c) no Party may condition the release of any obligation, including any security, that it imposes in respect of the entry of a vehicle or container into its territory on its exit through any particular port of departure; and

(d) no Party may require that the vehicle or carrier bringing a container from the territory of the other Party into its territory be the same vehicle or carrier that takes the container to the territory of the other Party.

9. For purposes of paragraph 8, vehicle means a truck, a truck tractor, a tractor, a trailer unit or trailer, a locomotive, or a railway car or other railroad equipment.

ARTICLE 2.6: GOODS RE-ENTERED AFTER REPAIR OR ALTERATION

1. Neither Party shall apply a customs duty to a good, regardless of its origin, that re-enters its territory after that good has been temporarily exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repair or alteration could be performed in the territory of the Party from which the good was exported for repair or alteration.

2. Neither Party shall apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or alteration.

ARTICLE 2.7: DUTY-FREE ENTRY OF COMMERCIAL SAMPLES OF NEGLIGIBLE VALUE AND PRINTED ADVERTISING MATERIALS

Each Party shall grant duty-free entry to commercial samples of negligible value, and to printed advertising materials, imported from the territory of the other Party, regardless of their origin, however, it may require that:

(a) such samples be imported solely for the solicitation of orders for goods, or services provided from the territory, of the other Party or a non-Party; or

(b) such advertising materials be imported in packets that each contain no more than one copy of each such material and that neither such materials nor the packets form part of a larger consignment.

ARTICLE 2.8: FEES AND OTHER CHARGES

1. Each Party shall ensure, in accordance with Article VIII of the GATT 1994 and its Interpretative Notes, that all fees and charges of whatever character (other than customs duties and other duties and charges that are excluded from the definition of a customs duty) imposed on, or in connection with, importation or exportation of goods, are limited to the approximate cost of services rendered and do not represent an indirect protection of domestic goods or taxation of imports or exports for fiscal purposes.

2. To the extent possible, each Party shall make available and maintain, preferably through the Internet, updated information regarding all fees and charges imposed in connection with importation or exportation of goods.

ARTICLE 2.9: IMPORT LICENSING PROCEDURES

No Party shall adopt or maintain a measure that is inconsistent with *the WTO Agreement on Import Licensing Procedures* (hereinafter referred to as the "Import Licensing Agreement") which is incorporated into and made an integral part of this Agreement, *mutatis mutandis.*

ARTICLE 2.10: RULES OF ORIGIN AND COOPERATION BETWEEN THE CUSTOMS ADMINISTRATIONS

The rules of origin applicable between the Parties to goods covered under this Agreement and methods of administrative cooperation are set out in Chapter 3 (Rules of Origin).

ARTICLE 2.11: CUSTOMS DUTIES ON EXPORTS

1. Except as otherwise provided in this Agreement, customs duties on exports and charges having equivalent effect shall be abolished in trade between the Parties upon the date of the entry into force of this Agreement. From the date of the entry into force of this Agreement no new customs duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.

2. Paragraph 1 shall not apply to the measures set out in Annex 2-C.

ARTICLE 2.12: IMPORT AND EXPORT RESTRICTIONS

1. Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of the GATT 1994 and its Interpretative Notes; and to this end, Article XI of the GATT 1994 and its Interpretative Notes are incorporated into and made a part of this Agreement, *mutatis mutandis*.

2. Paragraph 1 shall not apply to the measures set out in Annex 2-C.

3. The Parties understand that the GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, a Party from adopting or maintaining:

   (a) export and import price requirements, except as permitted in enforcement of countervailing and antidumping duty orders and undertakings; or

   (b) import licensing conditioned on the fulfillment of a performance requirement, except as provided in a Party's schedule in Annex 2-A.

4. For the purposes of this Article, performance requirement means a requirement that:

   (a) a given level or percentage of goods or services be exported;

   (b) domestic goods or services of the Party granting a waiver of customs duties or an import license be substituted for imported goods;

   (c) a person benefiting from a waiver of customs duties or an import license purchase other goods or services in the territory of the Party granting the waiver of customs duties or the import license, or accord a preference to domestically produced goods;

   (d) a person benefiting from a waiver of customs duties or an import license produce goods or supply services, in the territory of the Party granting the waiver of customs duties or the import license, with a given level or percentage of domestic content; or

   (e) relates in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows;

   but does not include a requirement that an imported good be:

   (f) subsequently exported;

   (g) used as a material in the production of another good that is subsequently exported;

(h) substituted by an identical or similar good used as a material in the production of another good that is subsequently exported; or

(i) substituted by an identical or similar good that is subsequently exported.

ARTICLE 2.13: SUBCOMMITTEE ON MARKET ACCESS

1. The Parties hereby establish a Subcommittee on Market Access comprising representatives of each Party.

2. The Subcommittee shall meet upon request of a Party or of the Joint Committee to consider any matter not covered by another Subcommittee arising under this Chapter.

3. The functions of the Subcommittee shall include, *inter alia*:

(a) promoting trade in goods between the Parties, including through consultations on accelerating and broadening the scope of preferential treatment for agricultural goods or tariff elimination under this Agreement and other issues as appropriate;

(b) addressing any non-tariff measure which may restrict trade in goods between the Parties and, if appropriate, referring such matters to the Joint Committee for its consideration;

(c) providing advice and recommendations to the Joint Committee on cooperation needs regarding market access matters;

(d) reviewing the amendments to the Harmonized System (HS) to ensure that each Party's obligations under this Agreement are not altered, and consulting to resolve any conflicts between:

(i) such amendments to the Harmonized System (HS) and Annex 2-A or Annex 2-B; or

(ii) Annex 2-A or Annex 2-B and national nomenclatures; and

(e) consulting on and endeavoring to resolve any difference that may arise among the Parties on matters related to the classification of goods under the Harmonized System (HS).

4. The Parties hereby establish an ad-hoc Working Group on Trade in Agricultural Goods. In order to address any obstacle to the trade of agricultural goods between the Parties, the ad-hoc Working Group shall meet upon request of a Party. The ad-hoc Working Group shall report to the Subcommittee on Market Access.

SECTION B: INDUSTRIAL GOODS

ARTICLE 2.14: ELIMINATION OF CUSTOMS DUTIES

1. The provisions of this Article shall apply to products originating in Israel and Colombia listed in Chapters 25-97 of the Harmonized System (HS), except those products whose subheadings are specified in Article 2.15.

2. Except as otherwise provided in this Agreement, each Party shall gradually eliminate its customs duties on goods originating in the other Party in accordance with the schedules included in Annex 2-A .

3. Unless otherwise provided in Annex 2-A (Section 1-A and 1-B), each Party shall eliminate its customs duties on imports originating in the other Party upon entry into force of the Agreement.

4. For each good specified in Annex 2-A, the base rate of customs duties, to which the successive reductions are to be applied, shall be the MFN rate applied on 1st of January 2012.

5. Except as otherwise provided in this Agreement, a Party shall not increase any customs duty set as base rate in Annex 2-A, or adopt any new customs duty or charges having equivalent effect on a good originating in the other Party.

6. Upon request of a Party, the Parties shall consult in order to consider accelerating the elimination of customs duties set out in Annex 2-A.

7. Paragraph 5 shall not preclude any Party from:

(a) raising a customs duty to the level established in Annex 2-A, for the respective year, following an unilateral reduction; or

(b) maintaining or increasing a customs duty in accordance with the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter referred to as "DSU") or Chapter 12 (Dispute Settlement).

SECTION C: AGRICULTURAL GOODS

ARTICLE 2.15: SCOPE

1. This Section applies to the measures adopted or maintained by the Parties related to agricultural goods.

2. The term "agricultural goods" means, for the purposes of this Agreement, the goods falling within Chapters 01 to 24 of the Harmonized System (HS) and subheadings, 3501.90, 3502.11, 3502.19, 3502.20, 3502.90, 3505.10, 3505.20, 3823.11, 3823.12, 3823.13, 3823.19 and 3824.60.

3. For agricultural goods, the provisions of this Section shall prevail over the provisions of any other Section or Chapter of this Agreement.

ARTICLE 2.16: PREFERENTIAL TREATMENT FOR AGRICULTURAL GOODS

1. For those products originating in Israel listed in the Annex 2-B (Section 1-A and 1-B), customs duties shall be eliminated or reduced as indicated in the Annex.

2. For those products originating in Colombia listed in of the Annex 2-B (Section 2-A and 2-B), customs duties shall be eliminated or reduced as indicated in the Annex.

ARTICLE 2.17: ADMINISTRATION AND IMPLEMENTATION OF TARIFF-RATE QUOTAS

1. Each Party shall implement and administer tariff rate quotas for imports of agricultural goods set out in Annex 2-B in accordance with Article XIII of GATT 1994, including its Interpretative Notes, and the Import Licensing Agreement.

2. Upon request of an exporting Party, an importing Party shall provide information to the exporting Party with respect to the administration of the tariff rate quotas of the importing Party.

ARTICLE 2.18: PRICE BAND SYSTEM

Except as otherwise provided in this Agreement, Colombia may apply the Andean Price Band System established in *Decision 371 of the Andean Community* and its modifications, or subsequent systems for agricultural goods covered by such Decision.

ARTICLE 2.19: EXPORT SUBSIDIES AND OTHER EQUIVALENT EFFECT MEASURES

1. Upon entry into force of this Agreement, no Party shall maintain, introduce or reintroduce export subsidies or other measures with equivalent effect on agricultural goods included in Annex 2-B, and destined to the territory of the other Party.

2. If either Party maintains, introduces or re-introduces export subsidies on a product included in Annex 2-B, the importing party will ask by written request to the exporting party to initiate consultations in order to review whether or not there is an export subsidy. If after 90 days from the request for consultations, the export subsidy is confirmed and it is not suspended by the exporting party, and no mutually satisfactory solution is agreed upon, the importing Party may increase the rate of duty on imports to the tariff of Most Favored Nation (MFN), applied for the period in which the export subsidy is in force. For the extra tariff to be removed, the other Party shall provide detailed information demonstrating that the applied subsidy has been removed.

3. Export subsidies, as mentioned above, shall be defined in accordance with Article 9 to the WTO Agreement on Agriculture (or any successor agreement to which both Israel and Colombia are parties).

4. Any measure taken by one of the Parties under this Article should be carried out in accordance with its domestic legislation and its procedures should be consistent with the WTO rules.

ANNEX 2-C
NATIONAL TREATMENT, CUSTOMS DUTIES ON EXPORTS AND IMPORTS, AND EXPORT RESTRICTIONS

1. With respect to Article 2.3 (National Treatment) Colombia will maintain the measures relating to the taxation of alcoholic beverages pursuant to the *Impuesto al Consumo* provided for in *Law No. 788 of 27 December 2002 and Law No. 223 of 22 December 1995* (for no longer than 1 year after the entry into force of this Agreement).

2. With respect to Colombia, Article 2.12 (Import and export restrictions) shall not apply to:

   (a) a contribution required on the export of coffee pursuant to *Law No. 101 of 1993*; and

   (b) a contribution required on the export of emeralds pursuant to *Law No. 488 of 1998.*

3. With respect to Colombia, Article 2.12 (Import and export restrictions) shall not apply to:

   (a) controls on the export of coffee pursuant to *Law No. 9 of 17 January 1991;*

   (b) goods as provided in Chapter II of Decree 925 of 2013.

4. With respect to Israel:

   (a) Articles 2.11 (Customs duties on exports) and 2.12 (Import and export restrictions) shall not apply to controls and charges maintained by Israel on the export of metal waste and scrap.