ANNEX 11-E SECTION 2: ISRAEL – SCHEDULE OF SPECIFIC COMMITMENTS¹

Modes of supply:

	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I.	HORIZONTAL COMMITMENTS			
	ALL SECTORS INCLUDED IN THIS SCHEDULE		 (3) Registration of corporate bodies. The Companies Law 5759-1999 requires that a public corporation must have on its board at least two outside directors who must be residents of Israel and who have no business or other relationship with the company or with the holder of control of the company. Public companies whose shares are listed abroad, can appoint non-resident outside directors. A foreign company that maintains in Israel a place of business or an office for registration or transfer of shares is required to register as a foreign company and pay the requisite fees. A foreign partnership, i.e. one formed outside Israel, may only carry on business in Israel if it is registered with the Israel Registrar of Partnerships. In the case of a limited partnership, registration may authorize or refuse registration. 	

¹ All CPC references in this Schedule are based on CPCprov

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Sector or Sub-sector	 (4) Presence of Natural Persons 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: (a) Executives: persons who primarily direct the management of the organization, establish its goals and generally have a wide decision making authority; (b) Managers: 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. 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 	Limitations on National Treatment (4) Unbound except for executives and managers referred to under Market Access.	
	expertise or otherwise essential or proprietal to the organization's service, research equipment, techniques or management.		

Modes of supply:

	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
п.	SECTOR-SPECIFIC COMMITMENTS			
1.	BUSINESS SERVICES			
A.	Professional Services			
(a)	Legal services (CPC 861)	 None None None Unbound except as indicated in the horizontal section. 	 None None A branch of a foreign law firm may be established in Israel if it employs either at least one Israeli licensed lawyer or one foreign lawyer as defined in the Israeli Law, and subject to the conditions set forth therein. Unbound except as indicated in the horizontal section. 	
(b)	Accounting (CPC 862)	 None None None Unbound except as indicated in the horizontal section. 	 None None None Unbound except as indicated in the horizontal section. 	
(d)	Architectural services (CPC 8671)	 None None None Unbound except as indicated in the horizontal section. 	 None None None Unbound except as indicated in the horizontal section. 	

	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e)	Engineering services (CPC 8672-8673)	 None None None None 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)	 None None None Unbound except as indicated in the horizontal section. 	 None None None Unbound except as indicated in the horizontal section. 	
B.	Computer and Related Services			
(a)	Consultancy services related to the installation of computer hardware (CPC 841)	 None None None 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)	 None None None Unbound except as indicated in the horizontal section. 	 None None None Unbound except as indicated in the horizontal section. 	

	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(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)	 (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. 	
(e)	Maintenance and repair services of office machinery and equipment including computers (CPC 845)	 None None None Unbound except as indicated in the horizontal section. 	 (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section. 	
F.	Other Business Services			
(a)	Advertising (CPC 871)	 None None None Unbound except as indicated in the horizontal section. 	 None None None Unbound except as indicated in the horizontal section. 	

	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b)	Market research and public opinion (CPC 864)	 None None None Unbound except as indicated in the horizontal section. 	 (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section. 	
(c)	Management consulting (CPC 865-866)	 None None None Unbound except as indicated in the horizontal section. 	 (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section. 	
(h)	 Services incidental to mining and oil-field (CPC 8830) including: Economic and scientific activities related to evaluation of a basin Geologic, geophysical, geochemical activities and geoscientific data gathering related to the location of mineral deposits, oil and gas Well drilling and testing 	 (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. 	

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
 Mapping on water, land and transition zones through seismic or other imagining techniques Geological and geophysical interpretation Reservoir simulation Risk analysis Reserve estimation Data management and analysis, including computer modeling Conceptual engineering Resource and facilities description Site preparation and survey Feasibility and appraisal 			
 (k) Placement and supply services of personnel - domestic market only (CPC 872) 	 Unbound Unbound None Unbound except as indicated in the horizontal section. 	 Unbound Unbound None Unbound except as indicated in the horizontal section. 	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(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. 	
(p) Photographic services (CPC 875)	 None None None Unbound except as indicated in the horizontal section. 	 None None None Unbound except as indicated in the horizontal section. 	
2. COMMUNICATION SERVICES			
A,B. <u>Postal/Courier Services</u> (CPC 75111-2 and 7512) Above 500g per addressed item	 None Unbound* None Unbound except as indicated in the horizontal section. 	 (1) None (2) Unbound* (3) None (4) Unbound except as indicated in the horizontal section 	
C. <u>Telecommunication</u> <u>Services</u> All sub-sectors	(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.		Regulatory Principles as contained in the Annex

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

² International simple resale is not permitted.

(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	Additional Commitments
 (iv) Non-public voice telephone: closed user groups and private networks <i>Excess capacity may only</i> 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. 	 (1) None. (2) None (3) None (4) Unbound except as indicated in horizontal section 	 (1) None (2) None (3) None (4) Unbound except as indicated in horizontal section 	

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

	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	Additional Commitments
D.	Audio visual Services			
(a)) Motion pictures and video- tape production (CPC 96111-2)	 Unbound None None Unbound except as indicated in the horizontal section. 	 Unbound None Israeli movies (25% Israeli investments) are entitled to a grant. Unbound except as indicated in the horizontal section. 	
	Distribution of motion pictures and video-tape (CPC 96113)	 Unbound None None Unbound except as indicated in the horizontal section. 	 Unbound None None Unbound except as indicated in the horizontal section. 	

	Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
4.	DISTRIBUTION SERVICES				
B.	Wholesale Trade Service Wholesale trade service of motor vehicles (CPC 61111)	 None None None Unbound except as indicated in the horizontal section 	(1) (2) (3) (4)	None None None Unbound except as indicated in thehorizontal section	
C.	Retailing services				
	Retail sales of motor vehicles (CPC 61112)	 None None None Unbound except as indicated in the horizontal section 	(1) (2) (3) (4)	None None None Unbound except as indicated in the horizontal section	
	Sales of motorcycles and snow mobiles and related parts and accessories (CPC 6121)	 None None None Unbound except as indicated in the horizontal section 	(1) (2) (3) (4)	None None None Unbound except as indicated in the horizontal section	
	Retail sales of fuel oil, bottled gas, coal and wood (CPC 63297)	 Unbound Unbound None Unbound except as indicated in the horizontal section. 	(1) (2) (3) (4)	Unbound Unbound None Unbound except as indicated in the horizontal section.	

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

Modes of supply:

	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments		
5.	FINANCIAL SERVICES					
	General Notes:					
	maintains an exchange s	ystem free of restrictions on the making of paymer easons pursuant to Decision No. 144-(52/51) of the	of the International Monetary Fund, Sections 2, 3, and 4 on Septents and transfers for current international transactions, with the excee IMF, and subject to a reporting requirement to the Bank of Israel	eption of measures		
		ithin the context of paragraph 2(a) of the GATS A ence of natural persons in Israel for the supply of I	nnex on Financial Services, Israel applies, <i>inter alia</i> , measures rec	uiring juridical form		
	 Modes of supply 1 and 2 in financial services schedules: the absence of any limitation on the ability of a resident consumer to purchase the service in the territory of another Member does not signify a commitment to allow a non-resident service supplier to solicit business or to conduct active marketing in the territory of the Member. 					
	All Insurance and Insurance Related Services					
. C	Direct insurance					

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(B) Non-Life insurance services	(1) Unbound(2) Unbound	 (1) Unbound (2) Compulsory car insurance must be purchased in Israel from an insurance company established in Israel and licenced by the Israeli commissioner of insurance. 	
	(3) None(4) Unbound except as indicated in the horizontal section.	(3) None(4) Unbound except as indicated in the horizontal section.	
(C) M.A.T	 None None None 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	 None None None Unbound, except as indicated in the horizontal section. 	 (1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section. 	
III. Insurance intermediation such as brokerage and agency	 None None None Unbound, except as indicated in the horizontal section. 	 (1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section. 	

Modes of	supply:
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	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
IV.	Services auxiliary to insurance			
	(a) Consultancy	 Unbound Unbound Unbound None Unbound, except as indicated in the horizontal section. 	 Unbound Unbound None Unbound, except as indicated in the horizontal section. 	
	(b) Actuarial services	 Unbound Unbound Unbound None Unbound, except as indicated in the horizontal section. 	 (1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section. 	
	(c) Risk assessment	 Unbound Unbound Unbound None 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	 Unbound Unbound None Unbound, except as indicated in the horizontal section. 	 (1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section. 	

Modes of s	supply:
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(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	Additional Commitments
Banking and other <u>Financial Services</u> (Excluding Insurance)			
V. Acceptance of deposits and other repayable funds from the public	 Unbound Unbound None for banks. Unbound for non banking institutions. Unbound, except as indicated in the horizontal section. 	 Unbound Unbound None for banks. Unbound for non banking institutions. Unbound, except as indicated in the horizontal section. 	
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 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. 	
VII. Financial leasing	 Unbound Unbound None for banks. Unbound for non banking institutions. Unbound, except as indicated in the horizontal section. 	 Unbound Unbound None for banks. Unbound for non banking institutions. Unbound, except as indicated in the horizontal section. 	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
VIII. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts	 Unbound Unbound None Unbound, except as indicated in the horizontal section. 	 Unbound Unbound None Unbound, except as indicated in the horizontal section. 	
IX. Guarantees and commitments	 None None None None 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:			

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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
XIII. Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services	 Unbound Unbound Unbound 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. Unbound, except as indicated in the horizontal section. 	 (1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section. 	
XIV. Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments	 Unbound Unbound Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members. Unbound, except as indicated in the horizontal section. 	 Unbound Unbound Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members. Unbound, except as indicated in the horizontal section. 	
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 horizontal section. 	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
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	 Unbound Unbound Banks are forbidden to render advice on acquisitions and on corporate restructuring, and strategy 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. 	
Food serving services (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. 	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. Travel Agencies and	(1) Unbound	(1) Unbound	
Tour Operators	(2) None	(2) None	
(CPC 7471)	(3) None	(3) None	
	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
C. <u>Tourist Guides</u>	(1) Unbound*	(1) Unbound*	
Services	(2) None	(2) None	
(CPC 7472)	(3) Israeli resident or citizen.	(3) Israeli resident or citizen.	
	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
11. TRANSPORT SERVICES			
C. Air Transport Services	(1) None	(1) None	
	(2) None	(2) None	
Maintenance and repair of aircraft and parts thereof	(3) Physical constraints in the airport may affect the number of suppliers	(3) None	
(Annex on Air Transport)	(4) Unbound except as indicated in the horizontal section	(4) Unbound except as indicated in the horizontal section	
Computer reservation	(1) None	(1) None	
systems (Annex on Air	(2) None	(2) None	
Transport)	(3) None	(3) None	
	(4) Unbound except as indicated in the horizontal section	(4) Unbound except as indicated in the horizontal section	

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
F. <u>Road Transport Services</u> b.Freight Transportation Transportation of containerized freight (CPC 71233)	 (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 	
Transportation of furniture (CPC 71234)	 Unbound None None Unbound except as indicated in the horizontal section 	 Unbound None None Unbound except as indicated in the horizontal section 	
Freight transportation by man or animal drawn vehicle (CPC 71236)	 (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 	
d. Maintenance and repair services of motor vehicles (CPC 6112)	 (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	Additional Commitments
Repair services n.e.c. of motor vehicles, trailers and semi-trailers on a fee or contract basis (CPC 8867)	 None None None Unbound except as indicated in the horizontal section 	 (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section 	
H. <u>Services Auxiliary to All</u> <u>Modes of Transport</u> a. Cargo handling services (CPC 741)	 None None None Unbound except as indicated in the horizontal section 	 (1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section 	

* unbound due to lack of technical feasibility