

Rules of Origin

- The rules of origin are based on changes in tariff classification under the Harmonized System for tariff classification.
- The rules of origin are, on the whole, less restrictive than those under the North American Free Trade Agreement and reflect the structure and openness of the Canadian and Israeli economies.
- Since both Canada and Israel have free trade agreements with the United States, U.S.-made materials will, under specific circumstances, be treated as originating inputs when used to produce Canadian or Israeli goods. In addition, some minor processing (e.g., dilution, cleaning or packaging) in the United States is allowed for originating goods shipped via the United States.
- The rules of origin are to be reviewed in two years to see where they can be improved.

Emergency Action: Safeguards

- During the first two and a half years of the Agreement, a Party may take a bilateral safeguard action if, as a result of tariff elimination, imports of a good from the other Party are a substantial cause of serious injury.
- The Parties would only include each other in any global safeguard action under stringent conditions.

Non-Tariff Barriers, National Treatment, Technical Barriers, Sanitary and Phytosanitary Measures, Trade-Related Investment Measures, Temporary Entry of Business Persons, Anti-dumping, Subsidies and Countervailing Duties, Government Procurement

- These areas continue to be governed by WTO rights and obligations.
- Quantitative trade restrictions and other import or export non-tariff barriers are not allowed, except as explicitly provided for under the Agreement (e.g., provincial export restrictions on logs and fish).

Competition Policy

- The Agreement includes provisions on competition law and policy to deal with anti-competitive and monopolistic actions by public and private parties.

Dispute Settlement

- The Agreement includes a binding dispute settlement panel process.