

each Party under the General Agreement on Trade in Services, hereinafter referred to as the 'GATS', particularly those in Article V of the latter.

3. The Joint Committee shall make a first assessment of the achievement of this objective no later than three years after the Agreement enters into force.

ARTICLE 21

1. At the outset, each Party reaffirms its obligations under the GATS, particularly the obligation to grant reciprocal most-favoured-nation treatment in the services sectors covered by that obligation.
2. In accordance with the GATS, this treatment shall not apply to:

a) advantages accorded by either Party under the terms of an agreement of the type defined in Article V of the GATS nor to measures taken on the basis of such an agreement.

b) other advantages granted in accordance with the list of most-favoured-nation exemptions annexed by either Party to the GATS.

CHAPTER V

GENERAL, INSTITUTIONAL AND FINAL PROVISIONS

ARTICLE 22

Intellectual, Industrial and Commercial Property

1. Pursuant to the provisions of this Article and of [Annex IX](#), the Parties shall grant and ensure adequate and effective protection of intellectual, industrial and commercial property rights in accordance with the highest international standards, including effective means of enforcing such rights.

2. The implementation of this Article and of Annex IX shall be regularly reviewed by the Parties. If problems in the area of intellectual, industrial and commercial property affecting trading conditions were to occur, urgent consultation within the Joint Committee shall be undertaken, at the request of either Party, with a view to reaching mutually satisfactory solutions.

ARTICLE 23

Payments

1. Payments in freely convertible currencies relating to commercial transactions between the Parties and the transfer of such payments to the territory of the State Party to this Agreement, 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-term and medium-term credits covering commercial transactions in which a resident participates.
3. Any measures concerning current payments connected with the movement of goods shall be in conformity with the conditions laid down under Article VIII of the Statutes of the International Monetary Fund.

ARTICLE 24

Public Procurement

1. The Parties to this Agreement consider the effective liberalization of their respective public procurement markets an integral objective of this Agreement.
2. The Joint Committee will review progress in this area annually.

ARTICLE 25

Competition

1. The following are incompatible with the proper functioning of the Agreement, insofar as they may affect trade between Turkey and Israel:
 - i) 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;
 - ii) abuse by one or more undertakings of a dominant position in the territories of Turkey or Israel as a whole or in substantial part thereof;
 - iii) any state aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.
2. The Joint Committee shall, within three years of the entry into force of the Agreement, adopt by decision the necessary rules for the implementation of paragraph 1.

Until these rules are adopted, the provisions of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the GATT shall be applied as the rules for the implementation of paragraph 1 (iii).

3. Each Party shall ensure transparency in the area of state aid, inter alia by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of state aid.

4. With regard to agricultural products referred to in Chapter II, paragraph 1 (iii) does not apply.

5. If Turkey or Israel consider that a particular practice is incompatible with the terms of the first paragraph and:

- is not adequately dealt with under the implementing rules referred to in paragraph 2, or

- in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry,

it may take appropriate measures after consultation within the Joint Committee or after thirty working days following referral for such consultation.

With reference to practices incompatible with paragraph 1 (iii), such appropriate measures, when the GATT is applicable to them, may only be adopted in accordance with the procedures and under the conditions laid down by the GATT or by any other relevant instrument negotiated under its auspices and applicable to the Parties.

6. Notwithstanding any provision to the contrary adopted in accordance with paragraph 2, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

ARTICLE 26

Balance of Payments Difficulties

When Turkey or Israel is in a serious balance of payment difficulty, or under threat thereof, Turkey or Israel, as the case may be, may in accordance with the conditions laid down within the framework of GATT and with Article VIII of the Articles of Agreement of the International Monetary Fund, adopt restrictive measures, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. Turkey or Israel, as the case may be, shall inform the other Party forthwith and present to the other Party, as soon as possible, a time schedule of their removal.

ARTICLE 27

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 this Agreement and shall ensure its proper implementation.
2. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of either 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 Turkey and Israel.
3. The Joint Committee may, in accordance with the provisions of paragraph 3 of Article 28, take decisions in the cases provided for in this Agreement. On other matters the Joint Committee may make recommendations.

ARTICLE 28

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. Either Party to this Agreement may request a meeting to be held.
2. The Joint Committee shall act by common agreement.
3. If a representative of a Party in the Joint Committee has accepted a decision subject to the fulfilment of constitutional requirements the decision shall enter into force, if no later date is contained therein, on the date of the receipt of written notification as to the fulfillment of such requirements.
4. 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 29

Fulfillment of Obligations

1. The Parties shall take any general or specific measure required to fulfill their obligations under the Agreement. They shall see to it that the objectives set out in the Agreement are attained.
2. If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority shall be given to those which least disturb the functioning of the Agreement.

These measures shall be notified immediately to the Joint Committee and shall be the subject of consultations within the Joint Committee if the other Party so requests.

ARTICLE 30

Settlement of Disputes

1. Each Party may refer to the Joint Committee any dispute relating to the application or interpretation of this Agreement.
2. The Joint Committee may settle the dispute by means of a decision.
3. Each Party shall be bound to take the measures involved in carrying out the decisions referred to in Paragraph 2.
4. If a dispute referred to the Joint Committee has not been resolved within a period of sixty days after the dispute was referred to it or within such longer period as the Joint Committee has agreed upon, each Party may notify the other of the appointment of an arbitrator within forty five days.

5. The two appointed arbitrators shall nominate by a common agreement within two months a third umpire arbitrator who shall not be a national of either Party and who will serve as chairman.
6. The arbitrators' decision shall be taken by a majority vote within ninety days.
7. Each Party shall be bound to take the steps required to implement the decision of the arbitrators.

ARTICLE 31

Security Exceptions

Nothing in this Agreement shall prevent a Party from taking any measures:

- a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or other serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

ARTICLE 32

Evolutionary Clause

1. Where either Party considers that it would be useful in the interest of the economies of the Parties to this Agreement to develop the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Parties may instruct the Joint Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.
2. Agreements resulting from the procedure in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their own procedures.

ARTICLE 33

Amendments

Amendments to this Agreement other than those referred to in paragraph 3 of Article 27, which are approved by the Joint Committee shall be submitted to the Parties for acceptance and shall enter into force under the same procedure of the entry into force of the Agreement.

ARTICLE 34

Protocols and Annexes

Protocol A and Protocol B, and Annexes I to IX of this Agreement and Joint Declarations related to provisions and implementation of this Agreement shall form an integral part of the Agreement. The Joint Committee may decide to amend the Protocols and Annexes.

ARTICLE 35

Trade Relations Governed by other Agreements

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade, except insofar as they alter the trade arrangements provided for in the Agreement.
2. Consultations between the Parties shall take place within the Joint Committee concerning agreements establishing customs unions or free trade areas and, where required, on other major issues related to their respective trade policy with third countries.

ARTICLE 36

Territorial Application

This Agreement shall apply to the customs territories and free trade zones of the Parties.

ARTICLE 37

Expiration

The Agreement is concluded for an unlimited period.

Each Party may denounce this Agreement by written notification to the other Party through the diplomatic channels . This Agreement shall cease to apply six months from the date of such notification.

ARTICLE 38

Entry into force

This Agreement shall enter into force from the date of the exchange of instruments of ratification.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed the present Agreement.

DONE at Jerusalem, this 14 day of March 1996 which corresponds to the 23 Adar 5776 in the English language.

**For the Republic of Turkey For the Government of
the State of Israel**