



# FedEx Regulatory Alerts & Updates

## **Regulatory Alert: Documentation Changes to US-IL Free Trade Agreement Effective April 1**

February 14, 2018

### **Background Information**

The United States and Israel entered into a Free Trade Agreement (FTA) on August 19, 1985. For many years, US exporters have prepared and submitted the US-IL Certificate of Origin (COO) with their shipments for eligible commodities to obtain the duty and tax benefits.

### **What has changed?**

The USA and Israel signed an amendment on May 10, 2017 that altered the original Rules of Origin established in the 1985 agreement. The key changes are these two new stipulations:

“Neither Party shall require exports under the Agreement to be documented by a certificate of origin, including the certificate of origin (commonly referred to as “Form A”) in order to make a claim of preferential tariff treatment under the Agreement.”

“A Party may require that imports from the other party entered under this Agreement be accompanied by a declaration, completed by the producer or exporter on the invoice, delivery note, or other commercial documentation (Invoice Declaration).”

### **What is the new shipment documentation for US-IL FTA goods?**

Israeli Customs has made it known that they will no longer accept the US-IL COO **effective April 1, 2018**. Instead, they will accept the “Specimen Invoice Declaration” on the commercial invoice. This invoice declaration must be made before IL Customs releases the articles being imported.

US exporters do NOT have to wait until April 1, 2018 to begin using the new declaration; it can be used immediately.

The specific “Specimen Invoice Declaration” is as follows:

*I, the undersigned, hereby declare that unless otherwise indicated, the goods covered by this document fully comply with the rules of origin and the other provisions of the Agreement on the Establishment of a Free Trade Area between the Government of Israel and the Government of the United States of America.*

\_\_\_ The Exporter (whether the exporter is the producer or not)

\_\_\_ The Producer (is NOT the exporter)

Tax Identification: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

E-mail: \_\_\_\_\_

Signature: \_\_\_\_\_

**Are there any specific completion instructions that are mandatory?**

1. Check only ONE of the exporter or the producer; do not check both. Enter the NAME OF THE COMPANY by the checked selection.

*Example 1: X - The Exporter - ABC Corporation*

*Example 2: X – The Producer – XYZ Corporation*

2. The other sections (Name, Title, Email, Signature) must show the actual person's name completing the declaration and other mandatory data elements.

**How many copies of the declaration are required for a shipment to Israel?**

The Israel importer is required to have the original copy of any declaration made for a shipment. US exporters are advised to make two copies of the original declaration and distribute them in this manner:

1. The original declaration is placed inside the shipment for the IL consignee
2. A copy is included with the IAWB, commercial invoice, and other shipment paperwork for FedEx IL to insure proper clearance
3. A second copy is retained by the US exporter for their records

**What other issues with this documentation change do US exporters need to know?**

1. U.S. customers must understand that for any shipment claiming the duty benefit under the US-IL FTA that IL Customs can require the exporter or producer that signs the declaration to submit additional documentation to verify all pertinent details concerning the production of manufacture of the articles listed on the commercial invoice.

2. FedEx Express cannot prepare this new declaration for the US exporter or producer. It must be made by the US exporter or producer on the commercial invoice accompanying the shipment.

**Date of Implementation:** Immediate

**References:**

U.S. Customs and Border Protection (CBP) US-IL Free Trade Agreement

<https://www.cbp.gov/trade/free-trade-agreements/israel>

Enforcement and Compliance

[http://tcc.export.gov/Trade\\_Agreements/Exporters\\_Guides/List\\_All\\_Guides/exp\\_005529.asp](http://tcc.export.gov/Trade_Agreements/Exporters_Guides/List_All_Guides/exp_005529.asp)