



# FedEx Regulatory Alerts & Updates

## Regulatory Alert: Modernization of the Canada-Israel Free Trade Agreement (CIFTA)

October 29, 2019

The modernized Canada-Israel Free Trade Agreement (CIFTA) came into force on September 1, 2019. It replaces the original CIFTA that has been in effect since January 1, 1997. The modernized CIFTA will strengthen and grow the economic partnership between the two countries by improving trade and creating new opportunities.

### Overview

Canada and Israel have introduced changes and expanded CIFTA to align with other modern trade agreements. The following existing four chapters have been updated:

- Dispute settlement
- Goods market access
- Institutional provisions
- Rules of origin

And New chapters have been introduced to address current trade issues and barriers:

- Electronic commerce
- Intellectual property (IP)
- Sanitary and phytosanitary measures (SPS)
- Technical barriers to trade
- Trade and environment
- Trade and labor
- Trade facilitation
- Trade and gender
- Trade and small and medium enterprises (SMEs)
- Corporate social responsibility

### Important Information

- **Casual Goods.** Goods imported or acquired from a CIFTA country, other than for sale or commercial use, are eligible for the preferential tariff treatment if the accompanying supporting documentation clearly indicates the following:
  - a. Country of origin of the goods is Canada or Israel; or
  - b. Bears no marking or evidence to show that the goods are not the product of Canada or Israel.

- **Trans-shipments.** Goods not shipped directly between Israel and Canada remain eligible for preferential tariff treatment provided the goods remain under customs control during transit.
- **Tariff Rate Reductions.** Tariffs for almost all agricultural, agri-food and fish, and seafood products will be eliminated or reduced. See [Chapter 6 of Bill C-85](#) for a complete list of commodities.
- **Minor Processing Operations.** In addition to the United States, CIFTA-eligible goods may now undergo minor processing from the countries listed below and still benefit from the preferential tariff treatment provided that a declaration is made on [form E669 - Declaration of Minor Processing In The Territory Of A Non-Party \(CIFTA\)](#) prior to entering Canada or Israel.
  - a. The Member States of the European Free Trade Association
  - b. The Member States of the European Union
  - c. Jordan
  - d. Mexico

**Additional Resources:**

Global Affairs Canada - [CIFTA](#)

[Text](#) of the modernized CIFTA

[Customs Notice 19-18](#)

**Date of Implementation:** September 1, 2019

**References:**

Bill C-85

<https://www.parl.ca/DocumentViewer/en/42-1/bill/C-85/royal-assent#ID0EBCAE>

E669 – Declaration of Minor Processing in the Territory of A Non-Party (CIFTA)

<https://www.cbsa-asfc.gc.ca/publications/forms-formulaires/e669-eng.html>

Government of Canada – Israel Free Trade Agreement (CIFTA)

[https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/israel/fta-ale/index.aspx?lang=eng&menu\\_id=289](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/israel/fta-ale/index.aspx?lang=eng&menu_id=289)

Government of Canada – Canada – Israel Free Trade Agreement Text

<https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/israel/fta-ale/text-texte/toc-tdm.aspx?lang=eng>

Government of Canada – Customs Notice 19-18

<https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn19-18-eng.html>