

1. BUSINESS SERVICES

A. Professional Services

a) Legal services (CPC 861)	1)	None	1)
	2)	None	2)
	3)	Israeli resident or citizen	3)
	4)	Unbound except as indicated in the horizontal section.	4)
b) Accounting (CPC 862)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
d) Architectural services (CPC 8671)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
e) Engineering services (CPC 8672-8673)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
g) Urban planning (CPC 8674)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
B. Computer and Related Services			
a) Consultancy services	1)	None	1)

related to the installation of hardware (CPC 841)	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
b) Software implementation services (CPC 842)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
	1)	None	1)
	2)	None	2)
c), d) Data processing and database services (CPC 843 excluding 84330)	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
	F. Other Business Services		
a) Advertising (CPC 871)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
	1)	None	1)
	2)	None	2)
b) Market research and public opinion (CPC 864)	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
	c) Management consulting (CPC 865-866)		
	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the	4)

horizontal section.

h) Services incidental to mining and oil-field	1)	Unbound*	1)
	2)	Unbound*	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

k) Placement and supply services of personnel - domestic market only (CPC 872)	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

m) Related scientific and technical consulting services (CPC 8675)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

p) Photographic services (CPC 875)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

2. COMMUNICATION SERVICES

A., B. Postal/Courier Services (CPC 75111-2 and 7512) Above 500g per addressed item	1)	None	1)
	2)	Unbound*	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

C. Telecommunication Services	1)	The existing monopoly's exclusive rights in domestic Telecommunication services and infrastructure mentioned in paragraphs:
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a(I), a(III), b, c, f, g, will terminate not later than the year 2001. The government will publish the rules and regulatory policy regarding the way of opening the above mentioned to competition in the future.

- 2) The government issued two licenses to two operators that won a tender issued by the government for the operation of international services in addition to those offered by the present operator (BEZEQ International, which is a fully (100%) subsidiary of BEZEQ - the local PTT). The companies have exclusivity until 1.1.2002 and the government will reexamine its policy regarding further competition in the field of international services towards the year 2001.

Foreign investment

(a) No limitation on foreign ownership for value-added service providers.

(b) 74% foreign ownership permitted in international service providers.

(c) 80% foreign ownership permitted in wireless service providers.

a) Voice telephone services (CPC 7521)	1)	Only through network of Bezeq, the Israel Telecommunications Corp. Ltd.	1)
	2)	None	2)
(i) Public voice telephone:	3)	Reserved to Bezeq, the monopoly supplier: foreign equity participation in Bezeq is permitted.	3)
- wire-based			
- facilities based			
- local/long distance#1	4)	Unbound except as indicated in horizontal section	4)
(ii) Public voice telephone:	1)	Only through network of three operators	1)
- wire-based	2)	None	2)
- facilities based	3)	Reserved to three operators. 74% foreign ownership permitted in international service providers	3)
- International	4)	Unbound except as indicated in horizontal section	4)

(iii) Public voice telephone:	1)	None, but by using Bezeq's network, or by using licensees own network.	1)
- local/long distance			
- radio-based	2)	None	2)
	3)	Local partner required; no more than 80% of shares may be owned by a foreign entity.	3)
	4)	Unbound except as indicated in horizontal section	4)
(iv) Non-public voice telephone: closed user groups and private networks	1)	Only through Bezeq's network	1)
	2)	None	2)
- Local/long-distance	3)	Resale of excess capacity is not permitted, must be point-to-point without any transmission to a third party.	3)
	4)	Unbound except as indicated in horizontal section	4)
b) Packet-switched data transmission (CPC 7523) and	1)	Only through network of Bezeq	1)
	2)	None	2)
c) Circuit-switched data transmission services (CPC 7523)	3)	Only through network of Bezeq. Foreign equity participation in Bezeq is permitted.	3)
- Local, Long distance	4)	Unbound except as indicated in horizontal section	4)
c) Circuit-switched data transmission services (CPC 7523)	1)	Only by using three operator's and IBS licensees' network.	1)
- International	2)	None	2)
	3)	Only by using three operator's and IBS licensees' network. 74% foreign ownership permitted in international service providers	3)
	4)	Unbound except as indicated in horizontal section	4)
f) Facsimile services (CPC 7521 + 7529)	1)	Only through network of Bezeq	1)
- Local, Long distance	2)	None	2)
	3)	Only through network of Bezeq. Foreign	3)

		equity participation in Bezeq is permitted.	
	4)	Unbound except as indicated in horizontal section	4)
f) Facsimile services (CPC 7521 + 7529)	1)	None	1)
- International	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in horizontal section	4)
g) Private-leased circuit services (CPC 7522 + 7523)	1)	Only through Bezeq's network	1)
	2)	None	2)
- Non-voice	3)	Only through circuits leased from Bezeq.	3)
- Local/long-distance		Foreign equity participation in Bezeq is permitted.	
- for public or non-public use	4)	Unbound except as indicated in horizontal section	4)
g) Private-leased circuit services (CPC 7522 + 7523)	1)	Only by using three operators' and IBS licensees' network.	1)
	2)	None	2)
- Non-voice	3)	Only by using three operators' and IBS licensees' network. 74% foreign ownership permitted in international service providers	3)
- for public or non-public use			
- International	4)	Unbound except as indicated in horizontal section.	4)
o) Other	1)	None	1)
(i) Paging services	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in horizontal section.	4)
(ii) Satellite services: voice and data	1)	None	1)
	2)	None	2)
	3)	None	3)

	4)	Unbound except as indicated in horizontal section.	4)
Data and message transmission (CPC 7523)	1)	None except for: Must be transmitted via the infrastructure of a local licensee.	1)
	2)	Unbound*	2)
	3)	None except for: Must be transmitted via the infrastructure of a local licensee.	3)
	4)	Unbound except as indicated in the horizontal section.	4)

D. Audio Visual Services

a) Motion pictures and video-tape production (CPC 96111-2)	1)	Unbound	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
Distribution of motion pictures and video-tape (CPC 96113)	1)	Unbound	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

6. ENVIRONMENTAL SERVICES

Sewage and refuse disposal services (CPC 9401-9405) (Not including industrial activities)	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)

7. FINANCIAL SERVICES

General Note:

1. The commitments in financial services are made in accordance with the
2. Israel applies certain restrictions on the convertibility of its currency. This is not intended to discriminate against foreign suppliers of Financial Services due to limitations and licensing requirements applied by The CUR party of, whether the transaction is made in Israel or outside of Israel.
3. For prudent reasons within the context of paragraph 2(a) of the Annex o for the supply of Financial Services.
4. Modes of supply 1 and 2 in financial services schedule: the absence of commitment to allow a non-resident service supplier to solicit business or to

All Insurance and
Insurance-related Services

(A) Life insurance including Pension fund	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
(B) Non-Life insurance services	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound except as indicated in the horizontal section.	4)
(C) M.A.T	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
II. Reinsurance and retrocession	1)	None	1),2), 3)

	2)	None	
	3)	None	
	4)	Unbound, except as indicated in the horizontal section.	4)
III. Insurance intermediation such as brokerage and agency	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
a) Consultancy	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
b) Actuarial services	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
c) Risk assessment	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
d) Claim settlement services	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)

Banking and Other
Financial Services
(excl. insurance)

V. Acceptance of deposits and other repayable funds from the public	1)	Unbound	1)
	2)	Unbound	2)
	3)	None for banks. Unbound for non banking institutions.	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
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.	1),2)
	3)	None for banks. Unbound for non banking institutions.	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
VII. Financial leasing	1)	Unbound	1)
	2)	Unbound	2)
	3)	None for banks. Unbound for non banking institutions.	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
VIII. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
IX. Guarantees and commitments	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)

(A) money market instruments (including cheques, bills, certificates of deposits, etc.)	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
(B) Foreign exchange	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
(E) Transferable securities	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
XI. Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues	1)	Unbound	1)
	2)	Unbound	2)
	3)	None, except that: Banks are required to carry out such activities only through subsidiaries.	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
XIII. Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services	1)	Unbound	1)
	2)	Unbound	2)
	3)	None, except that: Banks are required to carry out asset management activities only through subsidiaries.	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
XIV. Settlement and	1)	Unbound	1)

clearing services for financial assets, including securities, derivative products and other negotiable instruments	2)	Unbound	2)
	3)	Securities settlement and clearing services in the T.A. Stock Exchange are exclusively provided for the Stock Exchange members.	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
XV. Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services	1)	None	1)
	2)	None	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
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	1)	Unbound	1)
	2)	Unbound	2)
	3)	None	3)
	4)	Unbound, except as indicated in the horizontal section.	4)
9. TOURISM AND TRAVEL RELATED SERVICES			
A. Hotel Services (CPC 641)	1)	Unbound*	1)
	2)	None	2)
	3)	Ownership must be in hands of Israeli-registered company.	3)
	4)	Unbound except as indicated in the horizontal section.	4)
Food serving services (CPC 642-643)	1)	None	1)
	2)	None	2)
	3)	None	3)

	4)	Unbound except as indicated in the horizontal section.	4)
B. Travel Agencies and Tour Operators (CPC 7471)	1)	Unbound	1)
	2)	None	2)
	3)	Ownership must be in hands of Israel-registered Company. Travel Agencies should employ at least one Israel-licensed Travel Expert.	3)
	4)	Unbound except as indicated in the horizontal section.	4)
C. Tourist Guides Services (CPC 7472)	1)	Not applicable	1)
	2)	None	2)
	3)	Israeli resident or citizen.	3)
	4)	Unbound except as indicated in the horizontal section.	4)

None

None

Israeli resident or citizen

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

None

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Unbound except as indicated in the horizontal section.

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Unbound except as indicated in the horizontal section.

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Unbound except as indicated in the horizontal section.

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Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the

horizontal section.

Unbound*

* Unbound due to lack of technical feasibility.

Unbound*

None

Unbound except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

None

* Unbound due to lack of technical feasibility.

Unbound*

None

Unbound except as indicated in the horizontal section.

None	See annexed, as well as the following (in case of inconsistency between the
None	Annex and the following text, the Annex will #1 International simple resale is not permitted.
None	Independence of regulator Regulatory functions are the exclusive purview of the Ministry of Communications.
Unbound except as indicated in horizontal section	
None	Interconnection The Telecommunications Law (5742-1982) authorizes the Minister of Communications, inter alia to order one operator to allow interconnection of its network to the facilities of another operator; both operators are to negotiate the proper system
None	
None	
Unbound except as indicated in horizontal section	

of reimbursement.

None

Should they not reach an agreement, the Minister may decide on the proper price for the interconnection, based on increment costs which include operating, expenses, and proper return of equity.

None

None

Unbound except as indicated in horizontal section

None

In the event that a tender will be issued for limited competition in this field (i.e international services), the Minister will determine maximum tariffs.

None

None

Unbound except as indicated in horizontal section

None

None

None

Unbound except as indicated in horizontal section

None

None

None

Unbound except as indicated in horizontal section

None

None

None

Unbound except as indicated in horizontal section

None

None

None

Unbound except as indicated in horizontal section

None

None

None

Unbound except as indicated in horizontal section

None

None

None

Unbound except as indicated in horizontal section.

None

None

None

Unbound except as indicated in horizontal section.

None

None

None

Unbound except as indicated in horizontal section.

None except for:
Must be transmitted via the infrastructure of a local licensee.

* Unbound due to lack of technical feasibility.

Unbound*

None except for:
Must be transmitted via the infrastructure of a local licensee.

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.

Unbound

None

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound except as indicated in the horizontal section.

Note: The common practice in this sector is to require a local representative.

General Agreement on Trade in Services and the Annex on Financial Services.

Therefore, certain rules concerning the purchase of foreign currency from New Israeli Sheqel (NIS) by persons as such. In this context Israel is "Unbound" to cross-border supply (mode 1) and consumption abroad (mode 2). ISRAELI CURRENCY CONTROL LAW, 5738-1978 on transaction in foreign currency or in foreign security, to which a person

In Financial Services, Israel applies, inter alia, measures requiring juridical form of establishment or residence

any limitation on the ability of a resident consumer to purchase the service in the territory of another Member or to conduct active marketing in the territory of the Member.

Unbound

Unbound

None

Unbound except as indicated in the horizontal section.

Unbound

Compulsory car insurance must be purchased in Israel from an insurance company established in Israel and licenced by the Israeli commissioner of insurance.

None

Unbound except as indicated in the horizontal section.

None

None

None

Unbound, except as indicated in the horizontal section.

None: Israel intends to enact regulations requiring registration of Certified Foreign Reinsurers in an Israeli Reinsurance Registrar.

Unbound, except as indicated in the horizontal section.

None

None

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

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.

Such activities may only be carried out through Banking institutions licenced by the controller of foreign exchange to act as an authorized dealer.

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.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

None

None

None

Unbound, except as indicated in the horizontal section.

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None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None, except that:

Banks are required to carry out such activities only through subsidiaries.

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None, except that:

Banks are required to carry out asset management activities only through subsidiaries.

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.

None

None

None

Unbound, except as indicated in the horizontal section.

Unbound

Unbound

None

Unbound, except as indicated in the horizontal section.

Unbound*

Tourists exempt from V.A.T. on services given by hotels and paid in foreign currency.

None

Unbound except as indicated in the horizontal section.

None

None

None

* Unbound due to lack of technical feasibility.

Unbound except as indicated in the horizontal section.

Unbound

None

None

Unbound except as indicated in the horizontal section.

Not applicable

None

Israeli resident or citizen.

Unbound except as indicated in the horizontal section.

Permanent residents in Israel are
Article 2) in certain Financial
Permanent resident in Israel is a

Presence of natural persons in Israel

Number does not signify a

