

The Government of the State of Israel and the Government of the Russian Federation (hereinafter referred to as "The Contracting Parties"),

Proceeding from the understanding that trade and economic cooperation are essential and significant factors for promoting bilateral relations on stable, equitable and long-term basis;

Striving for the development of the trade and economic relations between the two countries on the basis of equality and mutual benefits;

Desiring to create favorable conditions for promoting reciprocal contacts among participants to economic activities and organizations of both countries,

Have agreed as follows:

Article I

The Contracting Parties shall take all appropriate measures in order to ensure the orderly development and the strengthening of the trade and economic relations between the two countries.

Article II

1. The Contracting Parties shall accord to each other the most-favoured-nation treatment with regard to goods originated from or exported to the territory of the other Party. Specifically, it shall apply to:

a. Customs duties and various charges pertinent to imported and exported products, including also procedures for levying such duties and charges;

b. rules and formalities related to imports and exports, including those applicable to customs clearance, transit, storage and transshipment;

c. taxes and other various internal charges that, directly or indirectly, relate to imported goods;

d. imported goods' sale, purchase, transportation, storage, distribution, and use on the domestic market.

2. Each Contracting Party shall accord to products originating in, or exported to the territory of the other Contracting Party, non-discriminatory treatment regarding the quantitative restrictions, the issuance of licenses and application of foreign currency regulations-, specifically, pertaining to payment for imported goods and services.

3. The provisions of Items 1 and 2 of this Article shall not apply to any advantages which:

a. either Contracting Party has accorded or may accord to adjacent countries in order to facilitate frontier traffic;

b. ensue as a consequence of participation in any customs union, any free trade area or any regional economic organization wherein either Contracting Party is a member or may become as such in the future, according to Article XXIV of General Agreement on Tariffs and trade (GATT);

c. either Contracting Party has accorded or may accord to developing countries pursuant to international Agreements.

Article III

Trade and economic cooperation between the two countries shall be accomplished in accordance with their respective laws and regulations in force, and will be carried out on normal commercial terms and conditions among business partners of both countries according to the market prices. Payments shall be effected in freely convertible currency, with the exception of cases specified by law of either country where the Parties may agree on other procedure of payments.

Article IV

The Contracting Parties shall permit temporary imports and exports without payment of any customs duties and any other taxes and charges of equivalent effect with the exception of charges for the custom house formalities, of goods and objects, as covered pursuant to either country's law regarding the temporary importation treatment and in particular: samples and advertizing material of no commercial value, items for fairs and exhibitions, marked containers and packing used in the international trade on a return basis.

Article V

The Contracting Parties shall promote the exchange of information on all matters contributing to the promotion of the trade and economic cooperation between them. The Contracting Parties shall promote the trade and economic cooperation by way of adopting measures aimed at contributing to the trade exchange, including the support, if required, for the organization and holding of fairs, exhibitions, conferences, advertizing, consulting and other business services, as well as by way of encouragement and establishment of contacts among producers, manufacturers associations, chambers of commerce and other professional business associations of both countries.

Article VI

The Contracting Parties agree to consult promptly, at the request of either Party, whenever products originating in the territory of the other Party, are imported to the territory of the other Party, in such increased quantities and on such terms and conditions as to cause or threaten to cause serious injury to domestic producers of like or directly competitive products, with the aim of finding immediate solutions to this problem. If as a result of the said consultations the Contracting Parties are unable to reach agreement within a reasonable period of time on the means of preventing or remedying injury, the Party requesting consultations shall be free to take appropriate measures relative to the import of the product concerned to the extent and such time as is necessary to prevent the occurrence of injury. The other Party shall then be free to deviate from its obligations under this Agreement with respect to substantially equivalent volume of trade.

In critical circumstances where delay would cause damage which it would be difficult to repair, appropriate action may be taken provisionally without prior consultation on the condition that consultations shall be effected immediately after taking such action. In the selection of measures under this article, the Contracting Parties shall give priority to those measures which cause the least disturbance to the functioning of this Agreement.

The Contracting Parties, shall update the provisions of the present article, taking into account the development of internationally agreed rules regarding this issue.

Article VII

The Contracting Parties to the Agreement shall use their best endeavours to settle through negotiations any dispute that may arise from the interpretation or the application hereof.

Article VIII

The Contracting Parties agree to take necessary action for setting up trade representatives or trade counsellor's offices in either country for the purpose of promoting the trade and economic cooperation between the two countries.

Article IX

The Contracting Parties shall permit, in accordance with the laws and regulations in force in their countries, to establish on their territories representations of commercial legal entities of the other country and shall do everything in their power to ensure favourable conditions of their activities.

Article X

This Agreement shall not entail the renouncement by the Contracting Parties of their right to impose bans or restrictions on any goods import, export and transit in accordance with the laws and regulations in force in either country, with a design to: protect security interests as well as public order; protect life and health of man, animals and plants; protect national treasures that are of artistic, historic and archeologic value; as well as regulate operations in gold, silver and other precious metals.

However, such bans shall not constitute any means of arbitrary discrimination or disguised restriction of trade between the two countries.

Article XI

The Contracting Parties shall encourage enterprises and organizations of their countries to participate in international exhibitions and fairs to be held in either country and shall render necessary assistance for this end in keeping with laws and regulations in force in each relevant country.

Article XII

The Contracting Parties agree to secure adequate and efficient protection and observance of industrial, commercial and intellectual property rights.

Article XIII

1. The Contracting Parties agree to set up a Joint Israeli-Russian Commission on Trade and Economic Cooperation for the purpose of facilitating the implementation of the Agreement. The commission will meet annually. The time of these meetings shall be decided jointly.

2. The Commission, shall, inter alia:

a. review the progress of implementing hereof and elaborate measures that might be taken to fulfil the provisions of this Agreement;

b. discuss matters pertinent to the promotion and the development of the trade and economic relations between the two countries;

c. look for possibilities and opportunities for promoting and diversifying the trade and economic relations, including the cooperation in various fields of economy.

d. consult on any problems that may arise in the course of developing the economic and trade relations between the two countries.

3. The Commission shall submit to the Contracting Parties, reports and recommendations on the above-mentioned issues.

Article XIV

This Agreement shall come into force on the date of the last notification of the Contracting Parties to the effect that they have accomplished the internal procedures required for making this Agreement effective, and it shall remain in force until either Contracting Party notifies the other Party in writing through diplomatic channels of its intention to terminate this Agreement. In such a case, the Agreement shall become null and void six months from the date of the above-mentioned notification by the other Party.

Should this Agreement be terminated its provisions shall continue to be applied to all trade transactions concluded pursuant to this Agreement but not completed before its termination.

Done in Moscow, 27th April 1994, that corresponds to 16th day of Ayar 5754, in duplicate each in the Hebrew, Russian and English languages, all the three texts being equally authentic. In case of divergency of interpretation, the English text shall prevail.

For the Government of
the State of Israel

Y. Rabin

For the Government of
Russian Federation

