12 Sector: All

Sub-Sector: Privatization

Industry Classification:

Obligations Concerned: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

Senior Management and Board of Directors (Article 7)

Description:

1. When transferring or disposing of its equity interests in, or the assets of, a state enterprise or a governmental entity, Israel reserves the right to:

(a) prohibit or impose limitations on the ownership of such interests or assets by investors of Japan or their investments;

(b) impose limitations on the ability of investors of Japan or their investments as owners of such interests or assets to control any resulting enterprise;

(c) adopt or maintain any measure relating to the nationality or permanent residency of members of the board of directors, position holders or certain officers of any resulting enterprise; or

(d) impose limitations on the location of management, main operations and center of business of any resulting enterprise.

Note: For the purposes of this Schedule, "position holder" is the director general, chief business officer, deputy director general, vice director general or any persons in equivalent positions, member of the board of directors or other officers who directly report to the director general, as defined in Article 1 of the Companies Law, 1999. Further it is understood that director general is an equivalent position to chief executive officer.

2. In the event where the supply of services, which is restricted to designated enterprises or governmental entities, is liberalized to those other than the designated enterprises or governmental entities, or in the event where such designated enterprises or governmental entities no longer operate on a non-commercial basis, Israel reserves the right to adopt or maintain any measure related to those activities.

Existing Measures: Government Companies Law (including Special State Share), 1975

Government Companies Order (Announcement on Essential State Interests in Ashot Ashkelon Industries Ltd.), 2005

Government Companies Order (Announcement on Essential State Interests in Oil Refineries Ltd.), 2007

Government Companies Order (Announcement on Essential State Interests in Oil Refinery - Ashdod Ltd.), 2006