

Unclassified
State of Israel
Ministry of Defense

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Dear

Adv. Talia Ramati - Gisha

Re: Gisha's Freedom of Information inquiry about directives concerning the marketing of non-agricultural goods between the Gaza Strip and the Judea and Samaria Area – reference

1. Following your Freedom of Information inquiry concerning the marketing of non-agricultural goods between the Gaza Strip and the Judea and Samaria Area, we wish to respond as follows:
 - a) As a rule, coordination for the marketing of non-agricultural products from the Gaza Strip to the Judea and Samaria Area is undertaken by the Palestinian coordinator of goods (PA representative) Mr. Raed Fattouh.
COGAT and/or DCO are not part of intra-Palestinian coordination.
 - b) **The Palestinian coordinator of goods coordinates with the DCO on a daily basis, coordinating the arrival of trucks to the crossing, and coordinating with the Kerem Shalom customs.**
 - c) COGAT/DCO are not involved in providing permits to merchants if they are a registered company in the PA or a licensed dealer according to the procedures of the Ministry of Economy and the Tax Authority. Palestinian merchants do not require general permits.
 - d) **At this stage, the marketing of non-agricultural products is approved for textile and furniture.** There are no special procedures for regulating the marketing of non-agricultural products to the Judea and Samaria Area except

for customs procedures.

- e) Allowing the marketing of goods from the Gaza Strip to the Judea and Samaria Area, including the kinds of goods, is subject to considerations concerning the manufacture, supply and demand possibilities in the relevant markets: the origin market and the target market. It also takes into account considerations of concern of leakage into the Israeli market, as well as considerations related to the provisions of the relevant agreements between Israel and the PA, and considerations of the capacity of the border crossings. It is also decided in dialogue with the relevant PA officials.
- f) **As for the coordination of the passage of non-agricultural goods**, there is a requirement for advance coordination to allow preliminary review from the customs and VAT perspectives, in accordance with the relevant Israeli legislation and political agreements, to ensure that the required taxes have been paid for the goods and raw materials (customs or VAT) as per the agreements, and that the goods in question were not smuggled without paying the required taxes for them. Which is to say, goods transported in breach of the regional customs envelope. Furthermore, the preliminary coordination with customs facilitates oversight of the transport of the said goods to the Judea and Samaria Area.
- g) **It should be noted that there is no restriction on marketing goods that were not manufactured in Gaza**, as long as the source of the goods/raw materials can be presented and that there was no breach of the customs envelope.
- h) In regards to Sections 4-5 of the "exporter/merchant's statement of the source of merchandise" form, as well as in regard to Section "f" above, these are the instructions of the Tax Authority and elaboration on the considerations that led them to demand that form may be obtained from them.
- i) **As for the quota for marketing non-agricultural produce from the Gaza Strip to the Judea and Samaria Area**: No quota has been set for the volume of marketing non-agricultural goods from the Gaza Strip to the Judea and Samaria Area. However, in accordance with the present possibility related to the crossing's capacity, and as part of the combination of passage of goods from the Gaza Strip, up to 40 truckloads of goods can cross every day for marketing goods to the Judea and Samaria Area or Israel (whether non-agricultural or agricultural produce). PA officials decide which trucks are to be sent to the crossing and the Israeli side is not involved in deciding the identity of the merchants. If necessary, changes can be made in the combination of goods marketed, in coordination between the DCO and the Palestinian coordinator of goods.

- j) **As for the directives that specify the arrangement of the non-agricultural goods in order to transfer them through the Israeli-controlled crossings:** The directives for arranging the goods on pallets derive directly from the crossing's capacity and current inspection needs. Likewise, there is no restriction on the kinds of trucks for transporting the goods as long as they are suitable for transporting pallets.
- k) **As for the fees collected at the crossings:** No fee is imposed for marketing non-agricultural products to the Judea and Samaria Area. There is an operational fee for the Kerem Shalom Crossing, according to the procedures of the Administration of Border Crossings.
- l) **As for the trucks' travel through Israeli territory and passage through the Judea and Samaria Area goods crossings:** To provide a “closed circle” from the standpoint of customs, it was decided that the trucks must go through the Tarkumiya, Beitunia or Shaar Ephraim crossings only, whereas the travel route is not limited.
- m) **As for an organized appeals process for denied requests:** The DCO and COGAT are not involved in approving the merchants, as aforesaid. Therefore, there is no appeals process. There may be procedures for matters related to customs – this must be checked with them.
- n) All of the aforesaid as to the marketing process for non-agricultural goods from the Gaza Strip was brought to the attention of the Palestinian coordinator of goods, who is the party that interacts with the Israeli authorities on this matter.

We emphasize again that the Israeli authorities, including the Gaza DCO, are not in direct contact with the Palestinian suppliers of goods to coordinate their marketing to the Judea and Samaria Area or any other place and maintain contact with PA officials only.

2. Sincerely,

Capt. Amitai Cohen
Public Inquiries Officer
COGAT